DOLPHIN INTERNATIONAL BERHAD

201201016010 (1001521-X)

ANNUAL REPORT 2020

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FINANCIAL STATEMENTS

CORPORATE **PROFILE**

The Dolphin group of companies ("Group"), founded in 1992, is currently operating in the palm oil milling machineries sector. The Group caters for the growing demand for process integration and automation solutions and services seeking to enhance productivity, safety and efficiency in palm oil mills. The product offerings of the Group include milling systems and software as well as the supply of parts and maintenance services. With the award of the Main Contractor Certification by the Ministry of Finance and Construction Industry Development Board in 1997, the Group also has the ability to undertake the provision of turnkey and mechanical and electrical solutions.

The Group's core competency and competitive edge is in having the technology and know-how to provide palm oil mills with products to form wholly integrated automation and control systems that offer improved efficiency, productivity and safety.

We design, develop, integrate and support technological products, services and solutions based on the needs and technical requirements of our customers in the palm oil industry. Our product development focuses on key themes that improve palm oil yield, improve mill safety and overall customer economics. Currently, the palm oil milling machineries sector is generally less automated with minimal sophisticated process controls compared to many other industries.

Our Products, Solutions and Services

We continuously seek to create innovative opportunities. The 5 key principles which the Group focuses on when designing and developing our products are as follows:

a) automate key functions for enhanced safety and efficiency;
b) reduce unplanned maintenance and operation down-time;
c) optimise palm oil recovery and reduce wastage;
d) real-time online monitoring and troubleshooting to identify and rectify process issues quickly; and
e) inception and adoption of evolving technology.

Our future plans and strategies to improve our future financial performance are:

a) continuous research & development as driver for future growth;
b) introduction of our Dolphin-branded consumable parts;
c) continuous efforts to expand customer base; and
d) construction and establishment of our own palm oil mill to showcase our products.

Our mission is to help our clients achieve the best results by embracing and harmonising science and technology, with a commitment to the environment and the communities serving the palm oil industry.

CORPORATE **INFORMATION**

Board of Directors

YM Tengku Ahmad Badli Shah Bin Raja Hussin
Chairman
Independent Non-Executive Director

Low Teck Yin
Group Managing Director

Thoo Soon Huat
Non-Independent Executive Director

Tan Ban Tatt
Independent Non-Executive Director

Lim Seng Hock
Independent Non-Executive Director

Hoh Yeong Cherng
Non-Independent Non-Executive Director

Serena Goh Fhen Fhen
Non-Independent Non-Executive Director

Audit and Risk Management Committee

Tan Ban Tatt *(Chairman)*
YM Tengku Ahmad Badli Shah Bin Raja Hussin
Lim Seng Hock

Remuneration Committee

YM Tengku Ahmad Badli Shah Bin Raja Hussin
(Chairman)
Tan Ban Tatt
Low Teck Yin

Nomination Committee

YM Tengku Ahmad Badli Shah Bin Raja Hussin
(Chairman)
Tan Ban Tatt
Lim Seng Hock

Company Secretary
Ho Meng Chan (MACS 00574)
SSM PC No. 202008003175
Wu Siew Hong (MAICSA 7039647)
SSM PC No. 202008002457

Registered Office

308, Block A (3rd Floor)
Kelana Business Centre
97, Jalan SS 7/2, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel: + 603 -7492 1818
Fax: +603-7492 1933

Head Office/Principal Place of Business

No. 17 & 19, Jalan Puteri 5/20
Bandar Puteri
47100 Puchong
Selangor Darul Ehsan
Tel: +603-8062 2289
Fax: +603-8060 8613
Website: www.dolphinbhd.com
Email: dolphin@dolphineng.com

Auditors

PCCO PLT [(LLP0000506-LCA)(AF1056)]
17, Jalan Ipoh Kecil, Chow Kit
50350 Kuala Lumpur
Tel: +603-4042 1177
Fax: +603-4041 9216

Principal Banker

United Overseas Bank (M) Berhad

Share Registrar

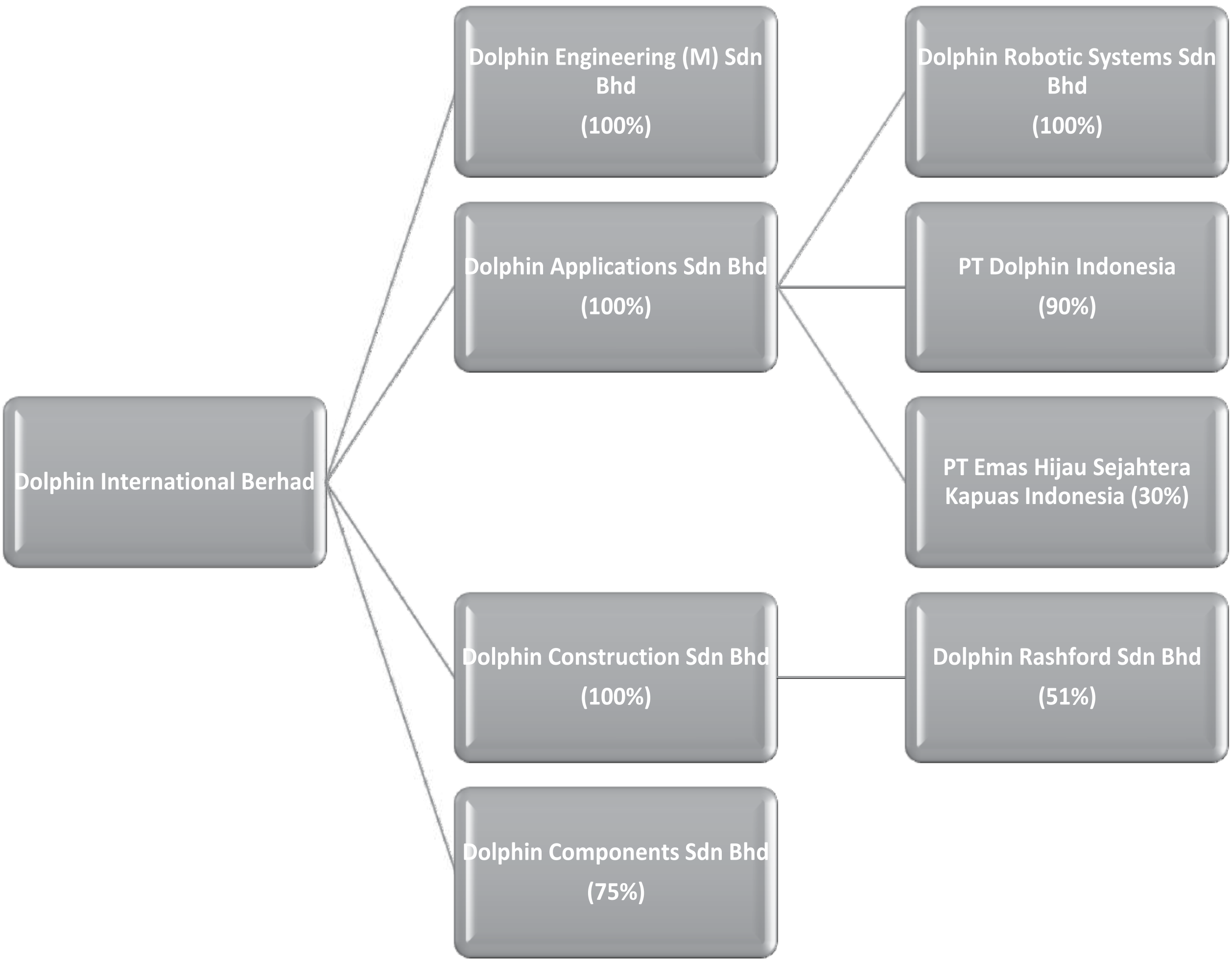
Boardroom Share Registrars Sdn Bhd
(formerly known as Symphony Share Registrars Sdn Bhd)
11th Floor, Menara Symphony, No. 5
Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Tel: +603-7890 4700
Fax: +603-7890 4670

Stock Exchange Listing

Main market of Bursa Malaysia Securities Berhad
Stock name: DOLPHIN
Stock Code: 5265

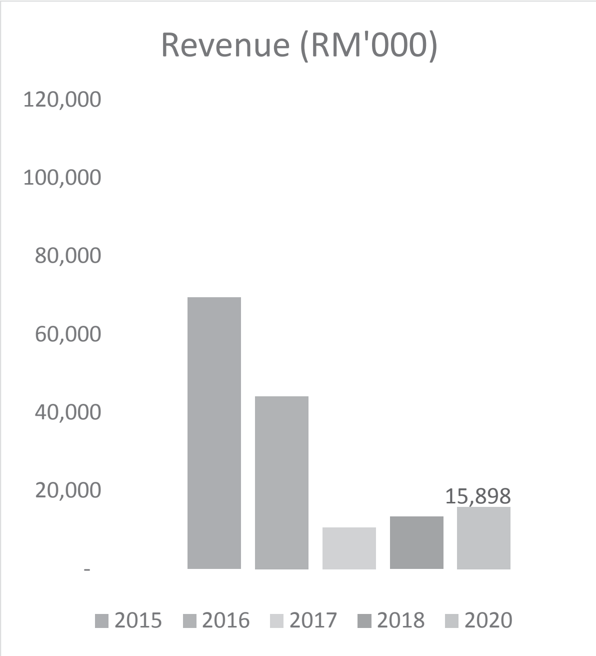
CORPORATE **STRUCTURE**

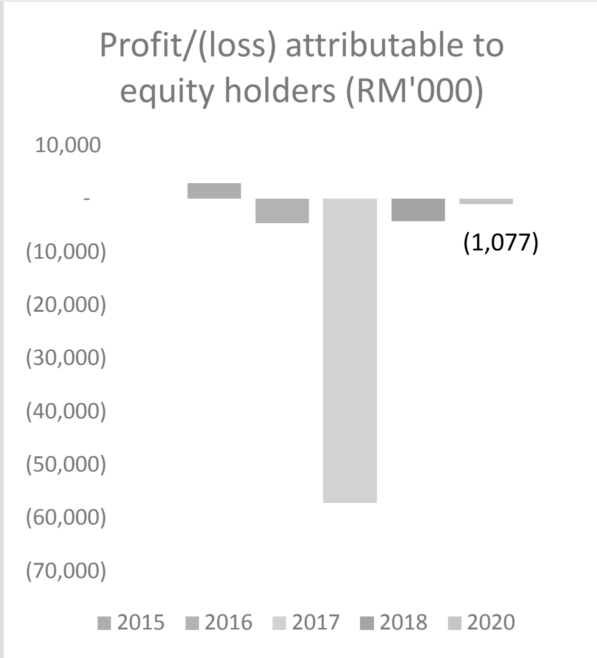
As at 30 October 2020



GROUP
FINANCIAL HIGHLIGHTS

Financial Highlights





Five Years Group Financial Summary

	31.12.2015 RM'000	31.12.2016 RM'000	31.12.2017 RM'000	31.12.2018 RM'000	30.6.2020 (18 months period) RM'000
Revenue	69,441	44,136	10,641	13,353	15,898
Profit/(loss) before taxation	5,084	(4,519)	(57,941)	(4,389)	(1,294)
Profit/(loss) attributable to equity holders	2,860	(4,626)	(57,139)	(4,230)	(1,077)

Management
Discussion & Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

DESCRIPTION OF OUR GROUP'S BUSINESS

Dolphin International Berhad ("DIB" or "the Company") is a public listed Company listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activity of the Company is investment holding while its subsidiaries are involved in the sale, design, engineering, development and integration of electro-automation, pneumatic, hydraulic, hardware and software systems and related proprietary products for the palm oil milling sector.

The operational activities of DIB and its subsidiaries ("Group") are in turn broadly segmented into provision of milling systems and solutions and supply of parts and maintenance services.

The Company has on 27 February 2020, proposed to undertake series of corporate exercises to strengthen its financial position alongside with diversification into Food and Beverage business. It is a strategic investment for a sustainable business for the Group.

The proposed corporate exercises were completed on 1st October 2020.

FINANCIAL REVIEW

Revenue

On 31 December 2019, the Company changed its financial year end to 30 June 2020 from 31 December 2019.

The Group generated revenue of RM 15.9 million for the 18 months financial period as compared to RM13.3 million of preceding year's 12 months period. For comparison purpose, the Group's revenue was RM8.4 million as at 31 December 2019. The lower revenue was owing to the completion of on-going project and absence of new major projects.

Gross Profit

During the 12 months and 18 months period, the Group recorded gross profit of RM5.2 million and RM8.0 million respectively. Gross profit margin was at 50.3% as compared to 38.7% of previous year. The Group improved its' gross profit margin from its cost cutting measures.

Other Income

The Group registered a total of RM3.6 million gain on disposal of non-current assets held for sale.

Administrative Expenses

Administrative expenses for the 18 months period was RM7.5million as compared to RM5.9 million of last financial year. As a result of streamlining operating cost, the Group managed to maintain minimum operating expenses for the 18 months period.

Loss Before Interest and Tax ("LBIT")

For the 12 months and 18 months periods, the group posted Loss After Tax of RM4.25 million and RM1.08 million respectively. The Group registered margin loss for the period owing to lower revenue. Losses were mitigated by cost cutting measures and disposal of non-current assets held for sale.

Finance Cost

Finance cost was at RM2.6 million and RM3.5 million for the 12 and 18 months period. The increase in finance cost was mainly due to the impact of MFRS 9 fair value loss on financial liabilities amortised at cost for 18 months period.

Prospects

The Group's focus in traditional contracting business and investing in recurring business models has see some improvement in the financial position. The Group took a further step to invest in Food and Beverage business through series of corporate exercises. It is a strategic investment to improve the liquidity of the group and injection of new revenue stream. Nevertheless, the initiative in research and development for the improvement in palm oil industry will be further pursued and the Group foresee potential return in near future.

The Group continues to innovate and create values.

Summary

The Group is confident that these initiatives will contribute positively to the Group's financial performance in the medium to longer term.

PROFILE OF
BOARD OF DIRECTORS

TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN
51 years of age, Malaysian
Chairman
Independent Non-Executive Director

YM Tengku Ahmad Badli Shah Bin Raja Hussin, appointed on 8 January 2020 and re-designated as Chairman on 9 January 2020. He is also a member of the Audit Committee, the Chairman of the Nomination Committee and Remuneration Committee.

YM Tengku Ahmad Badli Shah graduated from University of East Anglia, Norwich, United Kingdom England, with a Degree in Bachelor of Law, LLB (Hons). He is a Fellow Member of Institute of Corporate Directors Malaysia (CIDM). He also attended Leadership Program at Cornell University in 2012 and Islamic Leadership Development Program at University of Cambridge, United Kingdom in 2017.

YM Tengku Ahmad Badli Shah Bin Raja Hussin is currently the Group Chief Operating Officer of Pelaburan Mara Berhad. Prior to this, he was the Chief Executive Officer of PMB Tijari Berhad who was very much involved in setting up of the Company and steering its business operations towards achieving significant income resulting into remarkable contribution to the profitability of the Group.

He has extensive years of exposure in financial industry sector. He started his career as Resident Manager in Hongkong and Shanghai Banking Corporation ("HSBC") in Hong Kong in 1993 and upon his return, he continued his stint with HSBC Malaysia where he was exposed to most areas within the ambit of financial services ranging from retail operations to corporate advisory, investment and capital market, commercial lending as well as business development at various senior management positions.

He later pursued his career with Kuwait Finance House (Malaysia) Berhad ("Kuwait") in 2008 as Senior Manager Commercial Banking and subsequently, Head of Branch Management within the Retail and Commercial Banking Division. At Kuwait, he was tasked with growing the profitability and performance of the bank's commercial banking division where he has substantially achieved through business advisory and corporate lending. He was subsequently tasked to revamp the bank's branch banking to be in line with the bank's Transformation Plan in respect of expansion and business growth.

Currently, YM Tengku Ahmad Badli Shah is the Director of Netx Holdings Berhad, Fintec Global Berhad and PDZ Holdings Berhad, all public listed companies. He also the Director of PMB Investment Berhad and PMB Tijari Berhad.

LOW TECK YIN
53 years of age, Malaysian
Group Managing Director

Low Teck Yin, appointed on 14 May 2012. He is also a member of Remuneration Committee.

Mr. Low started his career in 1986 at Jemco Sdn. Bhd., which was a supplier of machinery spare parts. In year 1987, he established his first company, Gentrade Company, which focused on the trading and distributing of machinery spare parts, focusing on pneumatic valves, cylinders and fittings.

Mr. Low is the co-founder of the Group. In 1992, together with Hoh Yeong Cherng, he established the first company within the Dolphin Group, namely Dolphin Engineering Sdn. Bhd., which began with the provision of customised automation systems and services to assembly plants of various industries, including the automotive and consumer electronics industry.

Since then, Mr. Low has played the leading role in the growth of the Group by having the visionary foresight to embrace the niche opportunities in the palm oil milling machineries sector. With his training in hydraulic, hydropneumatics and total pneumatic automation, he has managed to establish the Group as a major player in providing integrated solutions for the automation of production and operations management.

THOO SOON HUAT
58 years of age, Malaysian
Non-Independent Executive Director

Thoo Soon Huat, appointed on 7 January 2020. Mr. Thoo holds a Bachelor Degree of Science from Universiti Pertanian Malaysia, Malaysia.

Mr. Thoo has over 20 years of experience in sales and marketing, designing, implementation and maintenance of data center for ICT companies, financial sectors and government institutions. Over the past 18 years, he and his team of engineers and designers have designed and built more than 200 custom infrastructure technology facilities. Currently, he holds directorship in several private limited companies in Malaysia.

Currently, Mr. Thoo is the Non-Independent Non-Executive Director of Asia Poly Holdings Berhad, a public listed company.

TAN BAN TATT
43 years of age, Malaysian
Independent Non-Executive Director

Tan Ban Tatt, appointed on 9 January 2020. He is the Chairman of the Audit Committee and a member of the Nomination Committee and Remuneration Committee.

Mr. Tan holds a bachelor of accountancy degree from University Putra Malaysia, Malaysia. He is a member of Malaysia Institute Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA).

Mr. Tan began his career in one of the big four accounting firm in year 2001 to 2004. Thereafter he enhanced his working experience in finance and business as Group Finance Manager in a public listed company in Malaysia. He joined a mid-size audit firm in 2006 and promoted to partner since year 2014 until his departure in May 2016. Subsequently, he was Chief Financial Officer of a public listed company until June 2019. Currently, he is a Practitioner of a Chartered Accounting firm.

Currently, Mr. Tan is the Independent Non-Executive Director of Asia Poly Holdings Berhad, a public listed company.

LIM SENG HOCK
63 years of age, Malaysian
Independent Non-Executive Director

Lim Seng Hock, appointed on 14 February 2020. He is a member of the Audit Committee and Nomination Committee.

Mr. Lim Seng Hock is the founder of Stuttgart Parts Centre Sdn Bhd, ("Stuttgart") which was incorporated in 1993. The business expanded and the Company diversified over to the international arena and Stuttgart currently acted as the stockists with markets in Europe, USA, Middle East and ASEAN region.

With over 45 years of commercial experience both locally and abroad, Stuttgart had made its mark as a leading importer and exporter in the automotive industries.

Due to his extensive travelling in the course of conducting business, Mr Lim had often been entertained and consulted for his culinary aptitudes over time. His enriched passion for the global gourmet served, lead him into much research and development over the food and beverage sector.

He used to be consulted upon by new and seasons restauranteurs on the concepts, designs, varieties in menu on food and beverages before he ventured into the sources while doing business in Australia at the turn of the millennium and subsequently became the importer and exporter for wholesalers and retailers alike for certain delectable items for the dining tables in preferred restaurants, pubs, private caterings and group supermarkets.

HOH YEONG CHERNG
54 years of age, Malaysian
Non-Independent Non-Executive Director

Hoh Yeong Cherng, appointed on 14 May 2012 and re-designated as Non-Independent Non-Executive Director on 9 January 2020. Mr. Hoh has over 29 years of experience in sales, marketing and customer relationship management. He began his career in 1988 as a sales executive with EPA Sdn. Bhd., a company trading in pneumatic products, where he accumulated the technical knowledge in relation to the pneumatic products. He left EPA in 1990 and joined Gentrade Company as a sales executive.

In 1992, he co-founder Dolphin Engineering Sdn. Bhd. with Low Teck Yin. He has since played an instrumental role in the development of the various operations within the Group. With his extensive experience, expertise and knowledge in the technical nature of pneumatic products and industrial automation field, he has managed to constantly introduce new initiatives for the Group to conduct Research & Development in order to keep abreast with the current trends of the palm oil milling machineries sector.

SERENA GOH FHEN FHEN
41 years of age, Malaysian
Non-Independent Non-Executive Director

Serena Goh Fhen Fhen, appointed on 15 October 2020. Ms. Serena is a graduate from University of Bolton-Greater Manchester, England with an excellent track record in developing and leading corporate strategies for local and multinational organisations.

Ms. Serena Goh has established her career in various industry for more than 15 years with vast strategic planning and implementation, process improvement as well as project management. She has served in several position which includes Chief Operations Officer for a local furniture manufacturer as well as a Finance Manager for several multinational corporations.

Notes:-
* *Mr. Thoo Soon Huat and Mr. Tan Ban Tatt, both are Directors of Asia Poly Holdings Berhad, a major shareholder of the Company. Save as disclosed herein, none of the Directors have any relationships with any Directors and/or major shareholder of the Company nor conflict of interest involving the Company.*
* *None of the Directors have been convicted for any offences within the past five (5) years other than traffic offences (if any).*
* *The details of the interest of Directors are set out on pages 162, 164 and 166 of this Annual Report.*
* *Detail of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement in the Annual Report.*

PROFILE OF
KEY MANAGEMENT TEAM

FUNG BEE FOONG
53 years of age
Female, Malaysian
Human Resource Manager

Ms. Fung Bee Foong joined the Group on 9 June 2020. She holds a Private Secretary certificate from Bintang College, Klang. Ms Fung began her career in 1992 as a Secretary of Chairman and General Manager in Asia Poly Industrial Sdn Bhd. She has accumulated experiences in Sales and Marketing, Purchasing and Human Resource before being promoted to Human Resource Manager in 2006.

She does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interests with the Company.

She does not have any directorship in any public company and listed issuer.

She has no convictions of any offences within the past five (5) years other than traffic offences (if any).

CHAN YENG LOCK
49 Years of age
Male, Malaysian
Finance Manager

Mr. Chan Yeng Lock joined the Group on 1 June 2020. He is a member of Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA).

He began his career in a chartered accountant firm in 1994 and was employed as Accountant in Digistar Corporation Berhad before joining Dolphin International Berhad. He has more than 25 years of working experience in finance and accounting with companies involved in life insurance, investment holding and consumer retail.

He does not have any family relationship with any Directors and/or major shareholders of the Company and has no conflict of interests with the Company.

He does not have any directorship in any public company and listed issuer.

He has no convictions of any offences within the past five (5) years other than traffic offences (if any).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present this Statement which provides an overview of the Corporate Governance practices adopted by the Group during the financial period ended 30 June 2020. This overview takes guidance from the three (3) key principles of good corporate governance as set out in the Malaysian Code on Corporate Governance ("Code").

This Statement is prepared in compliance with Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") and it is to be read together with the Corporate Governance Report 2020 ("CG Report"), which is made available on the Company's website : www.dolphinbhd.com. The CG Report provides the details on how the Group has applied each Practice as set out in the Code during the financial period 2020.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible and is accountable to shareholders for managing the business of the Group. The Board retains full and effective control of the Group and is committed to take full responsibility for the overall corporate governance of the Group, including its strategic business direction and overall wellbeing. For the foregoing, the Board sets the strategic direction of the Group while exercising oversight on the day-to-day management and operation delegated to Group Managing Director, Executive Directors and Senior Management to ensure that the conduct of the business of the Group is in compliance with relevant laws, practices, standards and guidelines applicable to the Group.

In performing its duties, the Board is guided by the Board Charter that sets out amongst others its composition, roles, responsibilities, operations and processes of the Board and also outlines the matters and decisions reserved for the Board. It serves as a reference and primary induction literature providing insights to prospective Board members and Senior Management and it is made available on the Company's website at www.dolphinbhd.com, which is in line with the recommendation made by the Code. The Board Charter will be reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board has established three (3) Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee that are delegated with specific responsibilities and authorities to assist the Board in carrying out its duties. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. Each Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures. The respective Chairman of the Board Committees will report to the Board on key issues deliberated by the Board Committees in order to develop effective communication. The ultimate responsibility for decision making, however, lies with the Board.

The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. The position of Chairman and Group Managing Director are distinct and separate. This segregation ensures there is a balance of power and authority so that no one individual can influence or dominate the Board's decision.

The Code of Conduct and Ethics is also made available on the Company's website. It provides direction and guidance to all Directors and employees in the discharge of their duties and responsibilities that will be in the best interest of the Group.

A Whistle-Blowing Policy has been implemented to provide a channel to enable Directors, employees, shareholders, vendors or any parties with a business relationship with the Group with an avenue to report suspected wrongdoings that may adversely impact the Group. The Company treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith. Further details pertaining to the Whistle-Blowing Policy can be found at the Company's website.

During the financial period ended 30 June 2020, a professional consultant, NGL Tricor Governance Sdn Bhd was engaged to assist in documenting its processes and formalisation of policies and standard operating procedures for an Anti-bribery Management System. An awareness training in relation to the new Section 17A of Malaysian Anti-Corruption Commission (Amendment) Act 2018 and its implication was given to the Directors and employees of the Group. A Post-documentation Training was also conducted to brief all relevant owners on the Group's Anti-bribery/ Anti-corruption manual, which amongst others, the policies, standard operating procedures, the use of cetain standard documents templates, records, and registers.

Every Director has unhindered access to all information within the Group and the advice and dedicated support services of two (2) Company Secretaries, who are members of the professional bodies prescribed by the Minister, to ensure that Board procedures are followed and the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretaries have an oversight on overall corporate secretarial functions.

II. Board Composition

During the financial period ended 30 June 2020, the Board comprises six (6) Directors and one-third (1/3) of the Board consists of Independent Non-Executive Directors in compliance with Paragraph 15.02(1) of MMLR. The Independent Non-Executive Directors form half of the Board size which is in line with the recommendation made by the Code.

Directors	Directorate
YM Tengku Ahmad Badli Shah Bin Raja Hussin Tengku *-appointed on 8 January 2020 and redesignated as Chairman on 9 January 2020*	Chairman, Independent Non-Executive Director
Thoo Soon Huat *-appointed on 7 January 2020*	Non-Independent Executive Director*
Tan Ban Tatt *appointed on 9 January 2020*	Independent Non-Executive Director
Lim Seng Hock *-appointed on 14 February 2020*	Independent Non-Executive Director
Hoh Yeong Cherng *-redesignated from Executive Director to Non-Independent Non-Executive Director on 9 January 2020*	Non-Independent Non-Executive Director
Low Teck Yin	Group Managing Director *
Kamaruddin Bin Osman *-resigned on 14 February 2020*	Independent Non-Executive Director
Dr. Abdul Azis Bin Ariffin *-resigned on 6 January 2020*	Independent Non-Executive Director
Lee Yow Fui *-resigned on 6 January 2020*	Independent Non-Executive Director
Khor Han Leong *-resigned on 6 January 2020*	Non-Independent Executive Director

* *Mr. Thoo Soon Huat assumed the role as Group Managing Director on 7 August 2020 in place of Mr. Low Teck Yin (whose power and authority as the Group Managing Director were suspended since 7 August 2020 in view of his alleged breach of fiduciary duty)*

The Board acknowledges the importance of fostering diversity to enhance effectiveness of the Board and Senior Management. Having a range of diverse dimensions brings different perspectives to the boardroom and to various levels of management within the Group. The present Directors, with their different backgrounds and specialisation, collectively bring with them experience and expertise in areas such as business development, legal, corporate affairs, finance, sales & marketing and operations. With this mix of expertise, the Company is essentially led and guided by an experienced and competent Board. The brief profile of each Director is presented in this Annual Report under Profile of Board of Directors.

The Company has in place its procedures and criteria for appointment of new directors. Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from the Directors, management, major shareholders or external parties including the Company's contacts in related industries. The new Directors appointed during the financial period ended 30 June 2020, were basically representative from the major shareholder, recommendations from the Directors and external sources.

All appointments and employment are based on objective criteria including (but not limited to) diversity in skills, experience as well as age, cultural background and gender. The Group is committed to maintaining an environment of respect for people in all business dealings and achieving a workplace environment free of harassment and discrimination on the basis of gender, physical or mental state, ethnicity, nationality, religion or age.

The Board is judicious of the gender diversity recommendation promoted by the Code in order to offer greater depth and breadth for discussions and constructive debates in Board and Senior Management level. The Board has no specific policy for female directors to sit in the Board. However, with the appointment of Ms. Serena Goh Fhen Fhen as the Non-Independent Non-Executive Director of the Company on 15 October 2020, the female Director represents 14% of the Board.

The Company currently does not have a policy to limit the tenure of its independent directors to nine (9) years. At this juncture, none of the Independent Directors of the Group has exceeded a cumulative term of nine (9) years. However, if the Board intends to retain an independent director beyond nine (9) years and twelve (12) years, it will justify and seek annual shareholders approval appropriately.

The Nomination Committee provides advice and assistance to the Board in matters relating to appointment of new Directors, board composition, training program and performance evaluation on effectiveness of the Board, Board Committees and individual directors. The composition of Nomination Committee comprises exclusively of Independent Non-Executive Directors and is chaired by the Independent Director.

During the financial period ended 30 June 2020, the Nomination Committee had carried out the following activities:

(a) assessed the performance of the Board, Board Committees and individual Directors, including the term of office and performance of the Audit and Risk Management Committee and each of its members;
(b) assessed the independence of all three (3) Independent Directors;
(c) reviewed the performance of retiring Directors and recommended them to the Board for re-election at the forthcoming Annual General Meeting ("AGM");
(d) reviewed the size of the Board against the size of the Group and the complexity of the business to assess the impact of the Board's size on its effectiveness; and
(e) evaluated the proposed new appointment of Directors and made recommendation to the Board.

The Nomination Committee performed annually evaluation via Board self-evaluation to evaluate the performance of the Board, Board Committees and Individual Directors, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completed a detailed questionnaire on the Directors' Performance Evaluation which covered matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee was done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as Committee's performance against its Terms of Reference. The assessment was internally facilitated, whereby results of the assessments had been compiled, documented and reported to the Board accordingly.

During the financial period ended 30 June 2020, the attendance records of Board and Board Committees meetings are as follows:-

Directors	Board Meeting	Audit and Risk Management Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting
YM Tengku Ahmad Badli Shah Bin Raja Hussin Tengku *-appointed on 8 January 2020*	3/3	3/3	0/0	0/0
Thoo Soon Huat *-appointed on 7 January 2020*	3/3	-	-	-
Tan Ban Tatt *appointed on 9 January 2020*	3/3	3/3	0/0	0/0
Lim Seng Hock *-appointed on 14 February 2020*	2/2	2/2	0/0	0/0
Hoh Yeong Cherng *-redesignated from Executive Director to Non-Independent Non-Executive Director on 9 January 2020*	8/8	-	-	-
Low Teck Yin	8/8	-	-	1/1
Kamaruddin Bin Osman *-resigned on 14 February 2020*	6/6	6/6	1/1	1/1
Dr. Abdul Azis Bin Ariffin *-resigned on 6 January 2020*	5/5	5/5	1/1	1/1
Lee Yow Fui *-resigned on 6 January 2020*	5/5	5/5	-	-
Khor Han Leong *-resigned on 6 January 2020*	5/5	-	-	-

The Board is satisfied with the level of commitment given by the Directors in fulfilling their roles and responsibilities as Directors of the Company. To ensure that the Directors devote sufficient time to carry out their roles and responsibilities and in line with the MMLR, a Director of the Company must not hold directorships of more than five (5) Public Listed Companies.

In the intervals between Board Meetings, any matters requiring urgent Board decisions and/or approvals can be sought via circular resolutions which are supported with all the relevant information and explanations required for informed decisions to be made.

The Directors are required to submit an update on their other directorships from time to time for monitoring of the number of directorships held by the Directors of the Company and for notification to Companies Commission Malaysia accordingly.

During financial period ended 30 June 2020, the seminars, courses, workshops, programmes and talks attended by the present Directors included the following:-

Name of Directors	Date	Seminar / Training Course Title
YM Tengku Ahmad Badli Shah Bin Raja Hussin	1 February 2020	Developing Sales Skill organised by PMB Investment Berhad
Tan Ban Tatt	12&13 February 2020	Audit Quality Enhancement Programme for SMPs 2020 organised by MIA
Lim Seng Hock	15-17 June 2020	Mandatory Accreditation Programme ("MAP") organised by The Iclif Leadership and Governance Centre

The newly appointed Director, Ms. Serena Goh Fhen Fhen will be attending MAP in November 2020.

Save for the above disclosures, the rest of the Directors although did not attend any official training during the financial period under review, enhanced their knowledge and kept abreast with the latest development on statutory and regulatory requirements from the briefings given by the Internal Auditors, External Auditors and the Company Secretaries from time to time during the Audit and Risk Management Committee and Board Meetings.

III. Remuneration

The Board has recognised the need to establish a fair and transparent Remuneration Policy with the objective to guide the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and key Senior Management. On a yearly basis, the Remuneration Committee reviewed and recommended to the Board the remuneration packages of the Executive Directors, while the remuneration for the Non-Executive Directors was determined by the Board as a whole. Fees and benefits payable to the Directors are subject to approval by the shareholders at the Company's AGM in accordance with Section 230(1) of the Companies Act, 2016. The affected Directors had abstained from participation in deliberations and decisions regarding their individual remuneration.

On 29 April 2019, the Remuneration Committee reviewed the Directors' fee and remuneration packages of the Executive Directors to ensure they are competitive and sufficient to attract, retain and motivate individuals to serve on the Board and the Group. In this respect, the Board approved the recommendation by the Remuneration Committee to put forth the Directors' Fee and benefits to the shareholders for approval at the Seventh ('7th") AGM.

Details of Directors' remuneration of the Company and of the Group for the financial period ended 30 June 2020 are as follows:

Group Level

Name of Directors	Salaries and Other Emoluments/Fees (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-	-
Tan Ban Tatt	-	-	-	-	-
Lim Seng Hock	-	-	-	-	-
Hoh Yeong Cherng #	114	-	17	-	131
Dr. Abdul Azis Bin Ariffin*	-	-	-	-	-
Kamaruddin Bin Osman*	-	-	-	-	-
Lee Yow Fui*	60	-	-	-	60
Executive Directors					
Thoo Soon Huat	-	-	-	-	-
Low Teck Yin	145	-	28		173
Khor Han Leong*	-	-	-	-	-

Company Level

Name of Directors	Salaries and Other Emoluments/Fees (RM'000)	Bonus (RM'000)	EPF and SOCSO (RM'000)	Benefits in Kind (RM'000)	Total (RM'000)
Non-Executive Directors					
YM Tengku Ahmad Badli Shah Bin Raja Hussin	-	-	-	-	-
Tan Ban Tatt	-	-	-	-	-
Lim Seng Hock	-	-	-	-	-
Hoh Yeong Cherng #	41	-	8	-	49
Dr. Abdul Azis Bin Ariffin*	-	-	-	-	-
Kamaruddin Bin Osman*	-	-	-	-	-
Lee Yow Fui*	60	-	-	-	60
Thoo Soon Huat					
Low Teck Yin	145	-	28	-	173
Khor Han Leong*	-	-	-	-	-

\# *re-designated from Executive Director to Non-Independent Non-Executive Director on 9 January 2020.*

* *ceased as Directors during financial period ended 30 June 2020.*

The top five (5) Senior Management's remuneration for the financial period ended 30 June 2020 is as follows :-

Range of Remuneration (RM)	Number of Senior Management
RM300,000 to RM350,000	1
RM200,000 to RM250,000	1
RM150,000 to RM200,000	1
RM100,000 to RM150,000	1
RM50,000 to RM100,000	1

Four (4) out of top five (5) Senior Management have resigned as employees of the Group as at todate.

(The details of senior management's remuneration are not shown, as the Board considers the information of the said remuneration to be sensitive and proprietary in view of the competitive nature of the human resource market and to support the Company's efforts in retaining executive talent. The Board is of the view that the transparency and accountability aspects of corporate governance as applicable to senior management's remuneration are appropriately served by disclosure in RM50,000 bands.)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Management Committee

The Audit and Risk Management Committee consists of three (3) Independent Non-Executive Directors which is in compliance with the MMLR. The present Chairman of the Audit and Risk Management Committee is Mr. Tan Ban Tatt who was appointed as Chairman of Audit and Risk Management Committee on 9 January 2020. The former Chairman of Audit and Risk Management Committee was Mr. Lee Yow Fui, who resigned as Director on 6 January 2020. Both of them are distinct from the Chairman of the Board. This has ensured the objectivity of the Board's review of the Audit and Risk Management Committee's findings and recommendations.

The Group has always recognised the need to uphold independence. None of the members of the Board were former key audit partners within the cooling-off period of two (2) years. Hence, there is no such person being appointed as a member of the Audit and Risk Management Committee.

All members of the Audit and Risk Management Committee are financially literate whilst Mr. Tan Ban Tatt is a member of MIA and a fellow member of the Association of Chartered Certified Accountants (ACCA). The Audit and Risk Management Committee has full access to both the Internal and External Auditors who, in turn, have access at all times to the Chairman of Audit and Risk Management Committee.

Details of activities carried out by the Audit and Risk Management Committee during the financial period ended 30 June 2020 are set out in the Audit and Risk Management Committee Report.

The Board, through its Audit and Risk Management Committee maintains a formal and transparent relationship with its External Auditors. The Board delegated the responsibility to the Audit and Risk Management Committee for making recommendations on the appointment, re-appointment or removal of the External Auditors as well as their remuneration. The Audit and Risk Management Committee assessed the performance and effectiveness of the External Auditors, considering amongst others, their qualifications, effectiveness of the audit process, quality of service and their independence.

II. Risk Management and Internal Control Framework

Currently, the Board is assisted by the Audit and Risk Management Committee in fulfilling the oversight responsibilities of reviewing the control systems in general and assessing the adequacy and effectiveness of the risk management and internal control practices conducted by the Management. The Audit and Risk Management Committee and the Management are responsible to identify, evaluate and manage significant risks facing the organisation in its businesses and operations.

The internal audit function was outsourced to an independent firm, Sterling Business Alignment Consulting Sdn Bhd to provide the Audit and Risk Management Committee with an independent assessment on the adequacy and effectiveness of the Group's system of internal controls.

Further details of the Group's risk management and internal control are disclosed in the Statement of Risk Management and Internal Control which has been reviewed by the External Auditors.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board leverages on a number of formal channels for effective dissemination of information to shareholders and other stakeholders, particularly through Annual Reports, Circular to Shareholders, announcements to Bursa Malaysia Securities Berhad, media releases, AGM, Extraordinary General Meeting ("EGM") and the Company's website, www.dolphinbhd.com.

The Company is not a Large Company as defined by the Code. The Company will consider adopting integrated reporting if the Board is of the view that the benefits of the adoption outweigh the costs.

II. Conduct of General Meetings

General meetings are the important platform for the shareholders to exercise their rights in the Company, either in AGM or EGM.

Given the significance of general meetings, the Notice of 7th AGM with the annual report is sent to the shareholders 28 days prior to the AGM, so as to maximise their attendance and to provide sufficient time to consider the resolutions that will be discussed and decided at the general meeting. Concurrently, the Notice of 7th AGM is advertised in a nationally circulated English daily newspaper.

In order to facilitate informed decision making by the shareholders, notice of meeting is also accompanied by explanatory notes on the items of business to further explain the nature of business of the meeting.

All Directors including Chairman of the respective Board Committees were present at the following General Meetings held during financial period ended 30 June 2020 to respond to the questions raised by the shareholders or proxies, which are relevant to their areas of responsibility:-

Date	Meeting
28 June 2019	7^{th} AGM
31 December 2019	EGM
5 June 2020	EGM

The Chairman of the Board chaired the 7^{th} AGM and EGM in an orderly manner and allowed the shareholders or proxies the opportunity to speak at the meeting. The Company's External Auditors were also present at the 7^{th} AGM to answer questions from the shareholders or proxies pertaining to the audit matters and the auditor's report.

In line with the MMLR on requirement for poll voting for any resolution set out in the notice of general meetings, the resolutions tabled at the 7^{th} AGM and EGMs were all voted by poll.

With the view to enhance the quality of engagement with the shareholders, the Company had enabled remote shareholders' participation and remote online voting by shareholders (i.e. voting in absentia) at the EGM held on 5 June 2020 by leveraging on technology. The shareholders or proxies who attended the EGM via remote participation could also submit their questions during the meeting for the Board or Company to respond.

COMPLIANCE STATEMENT

Overall, the Company has substantially complied with the majority of the Code for the financial period ended 30 June 2020. The Board is committed and will continue to strengthen the application of the corporate governance practices and procedures throughout the Group, in pursuit of safeguarding the interest of all shareholders and stakeholders.

AUDIT AND RISK MANAGEMENT
COMMITTEE REPORT

OBJECTIVE

The Audit and Risk Management Committee ("ARMC") was established to act as a Committee for the Board of Directors to fulfill its fiduciary responsibilities in accordance with the Terms of Reference of the ARMC of the Company and to assist the Board in reviewing the adequacy and integrity of the Group's financial administration, reporting and internal control.

COMPOSITION OF MEMBERS

As at the date of this Annual Report, the ARMC comprises three (3) Directors as follows:

Chairman

Tan Ban Tatt	(Independent Non-Executive Director)

Members

YM Tengku Ahmad Badli Shah Bin Raja Hussin	(Independent Non-Executive Director)
Lim Seng Hock	(Independent Non-Executive Director)

No alternate Director is appointed as a member of the ARMC.

The composition of the ARMC meets the requirement of paragraph 15.09 (1)(a) and (b) and 15.10 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR").

Mr. Tan Ban Tatt is a member of Malaysian Institute of Accountanats (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA) and fulfils the requirement of paragraph 15.09 (1)(c)(i) of the MMLR.

The Terms of Reference of the ARMC has been reviewed on 23 October 2020 to ensure it remains relevant. The Terms of Reference of the ARMC is available for reference on the the Company's website, www.dolphinbhd.com.

During the financial period ended 30 June 2020, the Chairman of the ARMC had engaged on a continuous basis with the management, Internal Auditors and the External Auditors, in order to keep abreast of matters and issues affecting the Company.

ATTENDANCE

There were eight (8) meetings of the ARMC held during the financial period ended 30 June 2020, which were attended by the ARMC members as follows :-

Member	Description	No. of Meetings Attended	Percentage (%)
Tan Ban Tatt *(Appointed as Chairman of ARMC on 9 January 2020)*	Chairman / Independent Non-Executive Director	3/3	100
YM Tengku Ahmad Badli Shah Bin Raja Hussin *(Appointed as member on 9 January 2020)*	Member / Independent Non-Executive Director	3/3	100
Lim Seng Hock *(Appointed as member on 14 February 2020)*	Member / Independent Non-Executive Director	2/2	100
Lee Yow Fui *(Resigned on 6 January 2020)*	Chairman / Independent Non-Executive Director	5/5	100
Dr. Abdul Azis Bin Ariffin *(Resigned on 6 January 2020)*	Member / Independent Non-Executive Director	5/5	100
Kamaruddin Bin Osman *(Resigned on 14 February 2020)*	Member / Independent Non-Executive Director	6/6	100

The ARMC meetings were convened with proper notices and agenda. The Chairman of the ARMC Committee reported the key issues discussed at each meeting to the Board. The management was invited to all ARMC meetings to facilitate direct communication and to provide clarification on audit issues and of the Group's operations.

Deliberations during the ARMC meetings were duly minuted and minutes of the ARMC meetings were tabled for confirmation at every succeeding ARMC meeting and the Minutes were distributed to each Board member for their notation.

SUMMARY OF WORK

The work carried out by the ARMC during the financial period ended 30 June 2020 include the following :-

i) Reviewed the financial position, unaudited quarterly interim financial reports and announcements for the respective financial quarters prior to submission to the Board for consideration and approval;

ii) Reviewed the external audit presentation, Audit Review Memorandum for financial year ended 31 December, 2018 from the former Auditors, Messrs. Baker Tilly Monteiro Heng. A summary of key findings were presented to the ARMC;

iii) Reviewed, evaluated and approved Messrs. PCCO PLT's Audit Plan for the financial period ended 30 June 2020. The Directors' responsibilities, Audotrs' responsibilities, audit approach, significant audit matters and its respective approach, new accounting standards and updates, engagement team, audit timetable, audit fees amongst others were discussed and brought to the attention of ARMC;

iv) Reviewed and discussed the internal audit reports which outlined the recommendations towards correcting areas of weaknesses and ensured that there were management action plans established for the implementation of the Internal Auditors' recommendations. The responsible member of management was invited to attend the ARMC meeting to provide clarification on specific issues raised in the internal auditor reports. Summary of internal audit reports presented to the ARMC provided status updates for management action plans to address the findings reported in the previous audit cycles;

v) Reviewed the related party transactions entered by the Company or its subsidiaries to ensure that the related party transactions are in the best interest of the Company, fair, reasonable and on normal commercial terms and are not detrimental to the interest of the non-interested shareholders of the Company;

vi) Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report;

vii) Reviewed the ARMC Report for inclusion in the Annual Report; and

viii) Reviewed Corporate Proposals of the Group.

INTERNAL AUDIT FUNCTION AND SUMMARY OF WORKS

During Financial period ended 30 June 2020, the Company has outsourced its internal audit function to Sterling Business Alignment Consulting Sdn Bhd to assist the ARMC in discharging its duties and responsibilities more effectively. They act independently and with due professional care and report directly to the ARMC.

The outsourced Internal Auditors use the COSO (Committee of Sponsoring Organizations) model as a basis for evaluating the effectiveness of the Group's internal control systems. The internal audit reviews involved walking through the processes and procedures, discussions with key staffs, review documentations as well as observation of the current practices.

In respect of the financial period ended 30 June 2020, the Internal Auditors had carried out internal audit reviews on the Company and the following subsidiaries:

Subsidiaries	Auditable Areas
Dolphin International Berhad	Human Resources
Dolphin Applications Sdn. Bhd.	Revenue Sales and Marketing Human Resources Project Management
Dolphin Engineering Sdn. Bhd.	Human Resources Project Management

The main objective of the audit reviews were to identify if there are any areas for improvement, besides compliance with the other internal control best practices, guidelines and objectives.

Internal Auditors also had carried out follow-up audit visits to review the improvement actions taken to resolve internal audit findings as stated in the previous Internal Audit Reports.

The audit findings and recommendations for improvement and the status of implementation of management's action plans were presented at the Audit and Risk Management Committee Meetings.

The fees incurred in maintaining the outsourced internal audit function for the financial period ended 30 June 2020 amounted to RM33,818.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MMLR**”), and as guided by the Statement of Risk management and Internal Control: Guidelines for Directors of Listed Issuers(“Guidelines”), the Board is pleased to include a statement on the state of the Group’s risk management and internal control in this annual report.

BOARD’S RESPONSIBILITIES

The Board acknowledges its overall responsibility for the Group’s system of internal control and risk management, which includes the establishment of an appropriate control environment and framework, and the review of its effectiveness and adequacy to ensure that the Group’s asset and shareholders’ interests are safeguarded.

Owing to the inherent limitation in any system and risk management and internal controls, such system put in place by management can only manage rather than eliminate the risk of failure to achieve the Groups business and corporate objectives, the system could therefore only provide reasonable rather than absolute assurance against material misstatement or loss.

RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, evaluating, managing and responding to risks to achieve the objectives of the Group for the financial year under review. The Board reviews the process as well as when new emerging risks are identified as risk management forms an integral part of the Group’s business operations and is embedded in the various work processes and procedures of the respective operational functions and management team.

The Group’s overall risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its performance and positions. The Board shall continue to evaluate the existing risk management practises, and where appropriate and necessary, revise such practices accordingly.

INTERNAL AUDIT FUNCTION

The Group in its efforts to provide an adequate and effective internal control system had appointed an independent firm i.e Sterling Business Alignment Consulting Sdn Bhd, which is a corporate member of The Institute of Internal Auditors Malaysia (IIAM), to undertake its internal audit function. The Internal Auditors reviewed and addressed critical business processes, identified risks and internal control gaps, assessed the effectiveness and adequacy of the existing state of internal control of the Group and recommended possible improvements to internal control processes. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group.

The Internal Auditors use the Committee of Sponsoring Organizations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. Each audit is performed by approximately 3 to 5 audit personnel depending on the areas of the audit. The Internal Auditors report directly to the Audit and Risk Management Committee on improvement measures pertaining to internal control, including subsequent follow-up to determine the extent of their recommendations that have been implemented by the Management. Periodic audit reports are submitted to the Audit and Risk Management Committee, who reviews the findings with Management at its meetings. Follow up visits were conducted to ensure weaknesses identified have been or are being addressed.

With the engagement, the Internal Auditors have disclosed that there are no relationships or conflicts of interest in the discharge of its responsibilities and that they remained independent and have no direct operational responsibility or authority over any of the activities audited.

The Internal Auditors are free from any relationships or conflicts of interest, which could impair their objectivity and independence of the internal audit function. The Internal Auditors do not have any direct operational responsibility or authority over any of the activities audited. The Audit and Risk Management Committee is of the opinion that the internal audit function is effective and able to function independently.

For the financial period ended 30 June 2020, the Internal Auditors had carried out internal audit reviews and follow up review on Dolphin Application Sdn Bhd and Dolphin Engineering Sdn Bhd. The review reports were presented in the Audit and Risk Management Committee meetings and corrective actions were recommended.

The Audit and Risk Management Committee keeps track and addresses any issues that relate to these matters. Audit and Risk Management Committee and its members are constantly being updated on any activities that relate to the above. For the financial period ended 30 June 2020, the total internal audit fees incurred for the outsourced internal audit function is RM33,818.

KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM

1. Control Environment and Control Activities

- The Group maintains an organisation structure and hierarchical reporting with defined lines of responsibility and accountability.
- Designated staff are placed in areas of responsibility to support and continuously monitor the effectiveness of the Group's system of internal control.
- Authorisation limits at appropriate levels are set out for controlling and approving capital expenditure and expenses.
- Policies and procedures for key business processes are formalised and documented for implementation and continuous improvements. These policy manuals are the subject of regular reviews to meet new operational and statutory requirements.

2. Monitoring and Communication

- Regular Board and Management meetings to assess performance and controls;
- Regular visits to operating units by members of the Board and senior management whenever appropriate;
- Regular review of business processes to assess the effectiveness of internal controls by the independent firm. Reports on findings of the internal audit and status report on follow up actions are presented to the Audit and Risk Management Committee of the Board for consideration;
- Management Accounts and reports are prepared regularly for monitoring of actual performance;
- An internal audit function to ascertain the adequacy of and to monitor the effectiveness of operational and financial procedures. The internal audit also reviews and assesses risks faced by the Group and reports directly to the Audit and Risk Management Committee;
- Reporting of financials, operations and legal issues to the Board on a regular periodic basis.
- Regular internal audit visits to monitor compliance with policies and procedures to assess the integrity of both financial and non-financial information provided; and
- Follow-up visits are then subsequently conducted by the Internal Auditors to ensure proper implementation of agreed action plans by the respective process owners.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this SORMIC in accordance with Paragraph 15.23 of the MMLR of Bursa Securities and the Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to consider whether the SORMIC covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The external auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems. Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this SORMIC intended to be included in this annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the SORMIC factually inaccurate.

CONCLUSION

For the financial period under review and up to the date of approval of this statement, the Board is of the opinion that the risk management and internal control system is currently in place as far as practicable. Nevertheless, the Board has received assurance from the Management that the Group’s risk management and internal control system, in all material aspects, will continuously be improved and enhanced to ensure it operates adequately and effectively. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group’s system of internal control and to strengthen it, as and when necessary.

SUSTAINABILITY
STATEMENT

The Group recognises the important of Sustainability and is committed in creating value to its stakeholders.

Our Sustainability framework consists of the following activities.

ENVIRONMENT

The Group is mindful of the environmental impact of our work and address them in business decision-making. Employees and business partners must demonstrate a commitment to comply with environmental legislation, regulations as well as the Group's Policy. Over the years, the Group has taken preventive measures to reduce environmental impact and carbon footprint from various initiatives such as:

• Minimising the usage of paper; and
• Minimising energy and fuel consumption.

The Group, in support of the local government's drive towards green buildings and technology, contributes to Malaysia's Green Objectives to reduce carbon footprint and one of its efforts include the adoption of green practices and solutions for the construction of the Ministry of International Trade and Industry building in Kuala Lumpur.

EMPLOYEES

• Insurance

- All our full-time employees are provided at the Group's costs, with Group Personal Accident insurance cover. Besides that, we also provided Business Travel Insurance for employees who are required to travel. The purpose of these insurance covers is to ensure that a reasonably-sized financial cushion is made available to the affected employee to help reduce the trauma from unforeseen situations.

• Training and Development

- The Group organises various trainings, seminars and workshops to upgrade and enhance the skills and knowledge of our employees. The training programmes range from job-related technical to soft skills, management and administrative courses.

• Work Place

- Encourage work-life balance with emphasis on the health, safety and well-being of employees
- Continuous develop and train employees
- Human resource management

HEALTH AND SAFETY

The Group is committed to the highest standards of the Health, Safety and Environmental ("HSE") protection. It is the Group's policy to take all precautions and safety measures to ensure our employees are working in a safe and healthy environment.

MARKETPLACE

The Group continuously promotes the conduct of business through transparency, accountability, integrity, and ethics in building long term relationships with our stakeholders.

The Group continuously initiates and manages various channels to engage with our stakeholders with the objective to foster good communication and relations by providing timely information.

Meanwhile, the Group is exploring other synergistic high quality and innovative products in our sustainability effort.

COMMUNITY

The Group believes that contributing to the local community is not just something out of choice but is actually a vital part of our corporate existence. The Group plays an active role in contributing to the community and society through direct financial support, gifts in kind and voluntary work. We strongly believe in giving back and improving the well-being of our society through impactful initiatives.

STAKEHOLDER ENGAGEMENT

The Group reckon that continuous engagement with its stakeholders remains crucial in the sustainability programme and their concerns are taken into consideration.

Current business environment has posed a great challenge not only to us but to the whole community. Nevertheless, the Group is committed in its sustainability journey to build a sustainable business that delivers sustainable long-term value to all our stakeholders.

In view of the current challenging and volatile business environment, the Board is cautiously and continuously review and formulating strategies, policies and goals in laying stronger foundation for a sustainable business modal.

1) Utilisation of Proceeds

The corporate exercises undertaken by the Company during the financial period ended 30 June 2020 which involve inter-alia the following:-

1.1 Disposal of Subsidiary

The Company had on 31 January 2020 entered into a Sale of Shares Agreement with Asia Poly Green Energy Sdn. Bhd. for the disposal of the Company's 80% equity interest in Dolphin Biogas Sdn. Bhd. to Asia Poly Green Energy Sdn. Bhd. for the cash consideration of RM2,123,675.50 ("Disposal"). The Disposal was completed on 1 July 2020.

The status of the utilisation of proceeds raised from the Disposal as at 13 October 2020 is as follows:

Purpose	Approved Utilisation RM'000	Actual Utilisation (RM'000)	Deviation (RM'000)	Expected timeframe for utilisation after completion of the Disposal
Working capital	1,924	641	1,283	Within 24 months
Estimated expenses for the Disposal	200	200	-	Immediately
Total proceeds	2,124	841	1,283	

1.2 Rights Issue of Ordinary Shares with Warrants

Renounceable Rights Issue of 305,250,005 new ordinary shares together with 183,150,003 Warrants-B was completed on 1 October 2020 ("Rights Issue").

The status of the utilisation of proceeds raised from the Rights Issue as at 13 October 2020 is as follows:

Purpose	Approved Utilisation RM'000	Actual Utilisation (RM'000)	Deviation (RM'000)	Expected timeframe for utilisation after completion of the Rights Issue
Proposed Acquisition	9,800	9,800	-	Within 1 months
SLPOM Project	1,515	-	1,515	Within 12 months
Operational expenditures and working capital requirements of secured contracts	500	-	500	Within 12 months
Repayment of borrowings	-	-	-	Within 3 months
Working capital	5,000	-	5,000	Within 12 months
Estimated expenses for the Proposals	1,500	1,124	376	Within 1 month
Total	18,315	10,924	7,391	

The full information of Disposal of Subsidiary and Rights Issue of Ordinary Shares with Warrants are disclosed in the Circular to Shareholders dated 14 May 2020. A copy of which can be obtained from the Company's website or Bursa Malaysia Securities Berhad's website.

2) Non-Audit Fees

The amount of non-audit fees paid or payable to the External Auditors or a firm or corporation affiliated to the Auditors' firm for the financial period ended 30 June 2020 are as follows:-

Particular	Company	Group
Non-Audit Fees paid or payable to External Auditors		
- *review of the Statement on Risk Management and Internal Control*	*RM5,000*	*RM5,000*
- *reporting accountant for corporate exercise*	*RM 120,000*	*RM 120,000*
	----------------	--------------
Total	*RM125,000*	*RM125,000*
	=========	==========
Non-Audit Fees paid or payable to a firm or corporation affiliated to the Auditors firm		
- *taxation services*	*RM3,500*	*RM31,000*
	========	========

3) Material Contracts

Save as disclosed below, there were no material contracts (not being contracts entered into the ordinary course of business) entered into by the Company and/or its subsidiaries involving the interests of Directors and major shareholders of the Company either subsisting at the end of the financial year or entered into since the end of the previous financial year:-

a) On 31 January 2020, the Company entered into a Sale of Shares Agreement with Asia Poly Green Energy Sdn. Bhd. ("APGE") for the disposal of the Company's 80% equity interest in Dolphin Biogas Sdn. Bhd. to APGE for a cash consideration of RM2,123,675.50 ("Disposal").

b) On 27 February 2020, the Company entered into a Sale of Shares Agreement with Uncle Don's Holdings Sdn. Bhd. and Asia Poly Holdings Berhad for the acquisition of 6,000,000 ordinary shares in Asia Poly Food And Beverage Sdn. Bhd. ("APFB") which representing the entire equity interest in APFB for a consideration of RM22.0 Million satisfied via the issuance of 131,578,947 new ordinary shares on the Company at an issue price of RM0.076 and RM12.0 Million cash ("Acquisition").

The following Directors and/or major shareholder of the Company have interest, whether direct or indirect, in the Disposal and Acquisition:-

(i) Asia Poly Holdings Berhad ("Asia Poly") is a major shareholder of the Company;
(ii) APGE is the wholly-owned subsidiary of Asia Poly;
(iii) Before completion of Acquisition, Asia Poly held 49% equity interest in APFB;
(iv) Thoo Soon Huat is an Executive Director of the Company and a Non-Independent Non-Executive Director of Asia Poly;
(v) Tan Ban Tatt is an Independent Non-Executive Director of the Company and Asia Poly.

Disposal and Acquisition were completed on 1 July 2020 and 1 October 2020, respectively.

STATEMENT OF
RESPONSIBILITY BY DIRECTORS

The Directors are required by the Companies Act 2016 ("Act") to prepare the financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company and the financial performance and cash flows for the period ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and of the Company to enable them to ensure that the financial statements are drawn up in accordance with the provisions of the Act.

In preparing the financial statements for the period ended 30 June 2020, the Directors have:

- adopted suitable accounting policies and then applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed, subject to any material departure being explained in the financial statements; and
- prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

DIRECTORS'
REPORT

For the financial period from 1 January 2019 to 30 June 2020

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period from 1 January 2019 to 30 June 2020.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. There has been no significant change in the nature of this activity of the Company during the financial year.

The principal activities of the subsidiary companies are set out in Note 16 to the financial statements. There have been no significant changes in the nature of these activities of the subsidiary companies during the financial year.

CHANGE OF FINANCIAL PERIOD

The Group and the Company changed their financial period from 31 December to 30 June. Accordingly, the financial statements of the Group and the Company cover an 18 months period from 1 January 2019 to 30 June 2020 compared to the previous 12 months period ended 31 December 2018.

RESULTS

	GROUP RM	COMPANY RM
Loss for the period	(1,076,535)	(6,508,861)
Attributable to:		
Owners of the Company	(1,058,440)	(6,508,861)
Non-controlling interests	(18,095)	-
	(1,076,535)	(6,508,861)

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year.

SHARE CAPITAL

The Company did not issue any shares or debentures during the financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period except as disclosed in the financial statements.

DIRECTORS

The directors of the Group and of the Company in office during the financial period and up to the date of this report are:

Directors of the Company:

Low Teck Yin	(also a director of certain subsidiaries)
Hoh Yeong Cherng	(also a director of certain subsidiaries)
Thoo Soon Huat	(appointed on 7.1.2020) (also a director of certain subsidiaries)
YM Tengku Ahmad Badli Shah Bin Raja Hussin	(appointed on 8.1.2020)
Tan Ban Tatt	(appointed on 9.1.2020)
Lim Seng Hock	(appointed on 14.2.2020)
Serena Goh Fhen Fhen	(appointed on 15.10.2020)
Kamaruddin Bin Osman	(resigned on 14.2.2020)
Dr. Abdul Azis Bin Ariffin	(resigned on 6.1.2020)
Lee Yow Fui	(resigned on 6.1.2020)
Khor Han Leong	(resigned on 6.1.2020)

Other directors of the subsidiaries:

Brian Lim Eu Kheng
Linggarsih
Yap Hai San
Gunandawadu Akalangka Susantha De Zoysa
Eio Tiang Siew @ Eyo Chok

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of directors in office at the end of the financial period in shares in the Company were as follows:

	No. of ordinary shares			
	As at 1/1/2019	Bought	Sold	As at 30/6/2020
Direct interests				
Low Teck Yin	46,632,514	-	(46,376,000)	256,514
Hoh Yeong Cherng	46,812,527	-	(46,794,000)	18,527

	No. of ordinary shares			
	As at 1/1/2019	Bought	Sold	As at 30/6/2020
Indirect interests				
Hoh Yeong Cherng*	484,500	-	(50,000)	434,500

* Deemed interested by virtue of the shares held by his sibling, Hoh Yeong Jian, and father, Hoh Kok Wah.

	No. of warrants			
	As at 1/1/2019	Bought	Sold	As at 30/6/2020
Direct interests				
Low Teck Yin	28	-	-	28
Hoh Yeong Cherng	31	-	-	31
Indirect interests				
Hoh Yeong Cherng#	75	-	-	75

Deemed interested in the warrants held his sibling, Hoh Yeong Jian.

DIRECTORS' INTERESTS *(continued)*

	No. of ordinary shares			
	As at 1/1/2019	Bought	Sold	As at 30/6/2020
<u>The Subsidiary</u>				
PT Dolphin Indonesia				
Direct interest				
Hoh Yeong Cherng	175,000	-	-	175,000

Other than as disclosed, none of the directors in office at the end of the financial period had any interest in shares in the Company and its related corporations during the financial period.

The above directors by virtue of their shareholdings in the Company are also deemed interested in shares in its related corporations to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits disclosed as directors' remuneration under Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Neither at the end of the financial period, nor at anytime during the financial period, did there subsist any arrangement to which the Company is a party, being arrangements with the object or objects of enabling directors to acquire benefits by means of the acquisition of shares in the Company or shares in, or debentures of any other body corporate.

WARRANTS 2016/2021

On 5 April 2016, the Company issued 55,500,002 warrants pursuant to the Bonus Issue of Warrants. The terms of the warrants are as follows:

a) Exercise rights
Subject to the terms of the Deed Poll, each Warrant will entitle its registered holder to subscribe to one (1) new ordinary share at the exercise price (as defined below).

b) Exercise price
The Warrant is fixed at RM0.80 representing a premium of RM0.0688 or approximately day VWAMP of the Dolphin Shares of up to and including 7 March 2016 of RM0.7312 per Dolphin Share.

c) Exercise period
The period commencing on and including the day of issuance of the Warrants and expiring on the fifth anniversary of the issue date. Warrant not exercised during the exercise period thereafter lapse and cease to be valid for any purpose.

d) Transferability
The Warrants will be transferable in any manner provided under the Central Depositories Act and the Rules.

e) Ranking
The 55,500,002 new ordinary shares to be issued pursuant to the exercise of the Warrants will, on allotment and issue, rank pari passu in all respects with the then existing ordinary shares except that such new ordinary shares shall not be entitled for any dividends, that may be declared prior to the date of allotment and issue of new ordinary shares, nor shall it be entitled to any distributions or entitlements where the record date is prior to the date of exercise of Warrants.

At the end of the current financial period, no exercise of warrants had taken place and the outstanding warrants in the Company remains at 55,500,002.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

(a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company have been written down to amounts which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) As at the date of this report, there does not exist:

(i) any charges on the assets of the Group and of the Company which have arisen since the end of the financial period which secures the liabilities of any other person; and

(ii) any contingent liabilities of the Group or of the Company which have arisen since the end of the financial period.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS *(continued)*

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in the report or financial statements of the Group and of the Company, which would render any amount stated in the financial statements misleading.

(e) No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may affect the ability of the Group or of the Company to meet their obligations when they fall due.

(f) In the opinion of the directors:

   (i) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the current financial period in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Significant events during the financial period is as disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

Significant events subsequent to the financial period is as disclosed in Note 41 to the financial statements.

SUBSIDIARIES

Details of subsidiaries are set out in Note 16 to the financial statements.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 8 to the financial statements.

AUDITORS

The auditors, PCCO PLT, have indicated their willingness to continue in office.

On behalf of the board

THOO SOON HUAT

HOH YEONG CHERNG

Kuala Lumpur
Date: 28 October 2020

STATEMENT
BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 51 to 160 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and cash flows of the Group and of the Company for the financial period from 1 January 2019 to 30 June 2020.

Signed in accordance with a resolution of the Board

THOO SOON HUAT

HOH YEONG CHERNG

Kuala Lumpur
Date: 28 October 2020

STATUTORY
DECLARATION

I, Thoo Soon Huat, being the director responsible for the financial management of Dolphin International Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 51 to 160 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

THOO SOON HUAT

Subscribed and solemnly declared at Kuala Lumpur, Wilayah Persekutuan on 28 October 2020.

Before me:

KAPT (B) AFFANDI BIN AHMAD (W678)
Commissioner for Oaths

INDEPENDENT
AUDITORS' REPORT
To the members of Dolphin International Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dolphin International Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 1 January 2019 to 30 June 2020, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 51 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020 and of their financial performance and their cash flows for the financial period from 1 January 2019 to 30 June 2020 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Capital work-in-progress and intangible assets – development costs

Per the Group's accounting policy as stated in Note 2(e), the Group is required to test development costs not yet available for use, for impairment annually. In addition, per the Group's accounting policies as stated in Note 2(e) and 2(h) for development costs not yet available for use and capital work-in-progress, they are assessed at the end at each reporting period as to whether there is any indication that any asset may be impaired and if there is, the Group shall estimate the recoverable amount. As explained in Note 1(d)(i), the assumptions to determine the value-in-use require exercise of significant management judgment and the amounts are material to the financial statements.

Our audit procedures are as follows:

We discussed with management to understand the key assumptions used to calculate the value-in-use of capital work-in-progress and development costs not yet available for use. We evaluated the key assumptions used with reference to historical performance, future market trends and externally derived data. We also assessed the potential risk for management biasness and adequacy of the disclosure on capital work-in-progress and development costs not yet available for use in Note 12 and Note 15 respectively. We found the assumptions used has no indication of management biasness and the disclosures are adequate.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements ***(continued)***

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PCCO PLT (LLP0000506-LCA)
No. AF 1056
Chartered Accountants

CHUAH SUE YIN
No. 02540/04/2022 J
Chartered Accountant

Kuala Lumpur
Date: 28 October 2020

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

For the financial period from 1 January 2019 to 30 June 2020

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
CONTINUING OPERATIONS			
REVENUE	6	12,511,858	13,353,488
COST OF SALES	7	(6,576,351)	(8,190,817)
GROSS PROFIT		5,935,507	5,162,671
OTHER INCOME		4,145,354	890,356
ADMINISTRATIVE EXPENSES		(6,461,612)	(5,893,263)
SALES AND MARKETING EXPENSES		(99,218)	(271,510)
OTHER EXPENSES		(2,819,814)	(1,659,546)
FINANCE COSTS		(3,012,496)	(2,618,534)
LOSS BEFORE TAXATION	8	(2,312,279)	(4,389,826)
TAXATION	9	408,109	142,588
LOSS FOR THE PERIOD/YEAR FROM CONTINUING OPERATIONS		(1,904,170)	(4,247,238)
DISCONTINUED OPERATIONS			
PROFIT FOR THE PERIOD/YEAR FROM DISCOUNTINUED OPERATIONS	10	827,635	-
LOSS FOR THE PERIOD/YEAR		(1,076,535)	(4,247,238)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the financial period from 1 January 2019 to 30 June 2020
(cont'd)

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
OTHER COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD/YEAR, NET OF TAX			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		92,108	146,871
Revaluation surplus on property, plant and equipment		-	1,801,171
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		(984,427)	(2,299,196)
(LOSS)/PROFIT FOR THE PERIOD/YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT			
Continuing operations		(1,886,075)	(4,230,342)
Discontinued operations		827,635	-
		(1,058,440)	(4,230,342)
NON-CONTROLLING INTERESTS		(18,095)	(16,896)
		(1,076,535)	(4,247,238)
TOTAL COMPREHENSIVE (LOSS)/PROFIT ATTRIBUTABLE TO:			
OWNERS OF THE PARENT			
Continuing operations		(1,789,062)	(2,286,014)
Discontinued operations		827,635	-
		(961,427)	(2,286,014)
NON-CONTROLLING INTERESTS		(23,000)	(13,182)
		(984,427)	(2,299,196)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 1 January 2019 to 30 June 2020
(cont'd)

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
EARNINGS PER SHARE (sen)			
- basic	11	(0.43)	(1.73)
- diluted	11	(0.43)	(1.73)
EARNINGS PER SHARE FOR CONTINUING OPERATIONS (sen)			
- basic	11	(0.77)	(1.73)
- diluted	11	(0.77)	(1.73)

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
As at 30 June 2020

	NOTE	As at 30/6/2020 RM	As at 31/12/2018 RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	31,204,993	54,013,356
Investment property	13	181,600	185,279
Right-of-use assets	14	1,099,273	-
Intangible assets	15	17,604,551	17,899,783
Associate company	17	-	-
		50,090,417	72,098,418
CURRENT ASSETS			
Inventories	18	794,407	1,746,567
Trade and other receivables	19	3,131,122	8,992,279
Contract assets	20	744,129	891,580
Tax recoverable		121,400	402,278
Fixed deposits with licensed banks	21	-	5,597,283
Cash and bank balances	22	3,764,221	1,187,912
		8,555,279	18,817,899
ASSETS HELD FOR SALE	10	29,559,346	-
NON-CURRENT ASSETS HELD FOR SALE	23(b)	-	6,036,841
TOTAL ASSETS		88,205,042	96,953,158
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	24	58,415,108	58,415,108
Revaluation reserve	25	-	1,801,171
Foreign currency translation reserve	26	744,651	647,638
Accumulated losses		(36,173,168)	(36,915,899)
		22,986,591	23,948,018
Non-controlling interests		953,530	(48,458)
TOTAL EQUITY		23,940,121	23,899,560

The accompanying notes are an integral part of these financial statements.

	NOTE	As at 30/6/2020 RM	As at 31/12/2018 RM
NON-CURRENT LIABILITIES			
Lease liabilities	27	682,909	92,692
Term loans	28	8,701,753	29,244,983
Provision for retirement benefits	29	54,604	32,022
Deferred taxation	30	-	582,119
Other payables	31	-	4,103,432
Preference shares	32	4,928,871	5,611,579
		14,368,137	39,666,827
CURRENT LIABILITIES			
Lease liabilities	27	491,433	94,561
Preference shares	32	3,614,665	-
Trade and other payables	33	17,173,909	23,628,718
Taxation		13,593	400
Short term borrowings	34	575,860	8,804,937
Contract liabilities	20	1,323,535	858,155
		23,192,995	33,386,771
LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS HELD FOR SALE	10	26,703,789	-
TOTAL LIABILITIES		64,264,921	73,053,598
TOTAL EQUITY AND LIABILITIES		88,205,042	96,953,158

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

For the financial period from 1 January 2019 to 30 June 2020

	← Attributable to owners of the Parent →						
	Share capital RM	Revaluation reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total RM
Balance at 1 January 2018	58,415,108	-	504,481	(32,685,557)	26,234,032	(84,276)	26,149,756
Loss for the year	-	-	-	(4,230,342)	(4,230,342)	(16,896)	(4,247,238)
Other comprehensive income:							
Foreign currency translation	-	-	143,157	-	143,157	3,714	146,871
Revaluation surplus	-	1,801,171	-	-	1,801,171	-	1,801,171
Total comprehensive income/(loss)	-	1,801,171	143,157	(4,230,342)	(2,286,014)	(13,182)	(2,299,196)
Transactions with owners:							
Non-controlling interests arising from incorporation of a new subsidiary	-	-	-	-	-	49,000	49,000
Total transactions with owners	-	-	-	-	-	49,000	49,000
Balance at 31 December 2018	58,415,108	1,801,171	647,638	(36,915,899)	23,948,018	(48,458)	23,899,560

The accompanying notes are an integral part of these financial statements.

	← Attributable to owners of the Parent →						
	Share capital RM	Revaluation reserve RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total RM
Balance at 1 January 2019	58,415,108	1,801,171	647,638	(36,915,899)	23,948,018	(48,458)	23,899,560
Loss for the period	-	-	-	(1,058,440)	(1,058,440)	(18,095)	(1,076,535)
Other comprehensive income/(loss):							
Foreign currency translation	-	-	97,013	-	97,013	(4,905)	92,108
Realisation of revaluation surplus on disposal of property, plant and equipment	-	(1,801,171)	-	1,801,171	-	-	-
Total comprehensive income/(loss)	-	(1,801,171)	97,013	742,731	(961,427)	(23,000)	(984,427)
Transactions with owners:							
Effects of changes in stake in a subsidiary company (Note 16)	-	-	-	-	-	1,024,988	1,024,988
Total transactions with owners	-	-	-	-	-	1,024,988	1,024,988
Balance at 30 June 2020	58,415,108	-	744,651	(36,173,168)	22,986,591	953,530	23,940,121

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF
CASH FLOWS

For the financial period from 1 January 2019 to 30 June 2020

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation from continuing operations		(2,312,279)	(4,389,826)
Profit before taxation from discontinued operations		1,018,213	-
Loss before taxation		(1,294,066)	(4,389,826)
Adjustments for:			
Impairment loss on disposal group classified as held for sale		803,850	-
Loss/(gain) on disposal of property, plant and equipment		461,116	(221,865)
Loss allowance for receivables		262,754	40,303
Reversal of loss allowance for receivables		(116,866)	(1,132,214)
Property, plant and equipment written off		351,773	4,428
Provision for foreseeable losses on contract assets		153,173	13,411
Provision for retirement benefits		20,795	11,066
Depreciation of investment property		3,679	2,467
Depreciation of property, plant and equipment		1,352,930	595,037
Depreciation of right-of-use assets		759,842	-
Interest income		(113,326)	(183,509)
Interest expenses		3,546,040	2,618,534
Short term lease expenses		165,763	-
Unrealised (gain)/loss on foreign exchange		(37,778)	128,956
Gain on disposal of non-current assets held for sale		(3,643,159)	-
Bad debts written off		19,495	-
Reversal of fair value adjustment on other payable		10,731	-
Loss allowance for contract assets		760,868	-
Waiver from other payable		(600,000)	-
Profit/(loss) before working capital changes		2,867,614	(2,513,212)
Working capital changes:			
Inventories		957,846	(1,397,563)
Contract assets		4,629,931	1,104,055
Contract liabilities		(219,333)	569,058
Trade and other receivables		(3,334,805)	5,712,010
Trade and other payables		1,390,361	(4,447,787)
Cash inflows/(outflows) from operations		6,291,614	(973,439)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 January 2019 to 30 June 2020
(cont'd)

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Interest received		113,326	(292,100)
Interest paid		(1,708,261)	(1,958,755)
Tax paid		(385,182)	(9,260)
Tax refunded		492,805	322,275
Short term lease expenses paid		(165,763)	-
Net cash inflows/(outflows) from operating activities		4,638,539	(2,911,279)
CASH FLOWS FROM INVESTING ACTIVITIES			
Development costs		-	(392,045)
Incorporation of a subsidiary		-	49,000
Purchase of property, plant and equipment		(8,307,290)	(15,093,331)
Proceeds from disposal of non-current assets held for sale		9,680,000	-
Proceeds from disposal of property, plant and equipment		3,591,165	408,262
Deposits received		-	4,828,000
Net cash inflows/(outflows) from investing activities		4,963,875	(10,200,114)
CASH FLOWS FROM FINANCING ACTIVITIES			
Withdrawal/(placement) of deposits pledged		4,500,247	(444,783)
(Repayment)/drawdown of term loans		(3,309,358)	20,091,867
Proceeds from issuance of preference shares		1,324,316	5,186,540
Repayment of lease liabilities		(849,714)	(456,256)
Repayment of short term borrowings		(2,988,936)	(2,171,290)
Net cash (outflows)/inflows from financing activities	A	(1,323,445)	22,206,078
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		109,331	(12,036)
NET INCREASE IN CASH AND CASH EQUIVALENTS		8,278,969	9,094,685
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		(2,653,809)	(11,736,458)
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	B	5,734,491	(2,653,809)

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1/1/2019 RM	Additions RM	Non-cash movement RM	Cash flows RM	Non-cash foreign exchange movement RM	As at 30/6/2020 RM
Lease liabilities	1,993,199	1,458,284	-	(849,714)	1,123	2,602,892
Term loans	31,219,263	-	-	(3,309,358)	-	27,909,905
Short term borrowings	2,988,936	-	-	(2,988,936)	-	-
Preference shares	5,611,579	-	1,607,641	1,324,316	-	8,543,536
Fixed deposits with licensed banks	(5,597,283)	-	-	4,500,247	-	(1,097,036)
	36,215,694	1,458,284	1,607,641	(1,323,445)	1,123	37,959,297

	As at 1/1/2018 RM	Additions RM	Non-cash movement RM	Cash flows RM	Non-cash foreign exchange movement RM	As at 31/12/2018 RM
Lease liabilities	645,798	-	-	(456,256)	(2,289)	187,253
Term loans	11,127,396	-	-	20,091,867	-	31,219,263
Short term borrowings	5,160,226	-	-	(2,171,290)	-	2,988,936
Preference shares	-	-	425,039	5,186,540	-	5,611,579
Fixed deposits with licensed banks	(5,152,500)	-	-	(444,783)	-	(5,597,283)
	11,780,920	-	425,039	22,206,078	(2,289)	34,409,748

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial period from 1 January 2019 to 30 June 2020
(cont'd)

B. ANALYSIS OF CASH AND CASH EQUIVALENTS

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Continuing operations			
Cash and bank balances	22	3,764,221	1,187,912
Bank overdrafts	34	-	(3,841,721)
		3,764,221	(2,653,809)
Discontinued operations			
Cash and bank balances	10	1,970,270	-
		5,734,491	(2,653,809)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF
COMPREHENSIVE INCOME

For the financial period from 1 January 2019 to 30 June 2020

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
REVENUE	6	360,000	240,000
OTHER INCOME		37	1,267
ADMINISTRATIVE EXPENSES		(1,772,097)	(1,390,516)
OTHER EXPENSES		(5,096,801)	(6,566,323)
LOSS BEFORE TAXATION	8	(6,508,861)	(7,715,572)
TAXATION	9	-	-
LOSS FOR THE PERIOD/YEAR		(6,508,861)	(7,715,572)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD/YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		(6,508,861)	(7,715,572)
LOSS FOR THE PERIOD/YEAR ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(6,508,861)	(7,715,572)
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
OWNERS OF THE PARENT		(6,508,861)	(7,715,572)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	NOTE	As at 30/6/2020 RM	As at 31/12/2018 RM
ASSETS			
NON-CURRENT ASSETS			
Subsidiary companies	16	12,698,231	20,920,209
CURRENT ASSETS			
Trade and other receivables	19	137,323	26,461
Cash and bank balances	22	354,668	24,352
		491,991	50,813
NON- CURRENT ASSETS HELD FOR SALE	23(a)	2,100,000	-
TOTAL ASSETS		15,290,222	20,971,022
EQUITY AND LIABILITIES			
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	24	81,559,823	81,559,823
Accumulated losses		(69,116,600)	(62,607,739)
TOTAL EQUITY		12,443,223	18,952,084
CURRENT LIABILITIES			
Trade and other payables	33	2,846,999	2,018,938
TOTAL LIABILITIES		2,846,999	2,018,938
TOTAL EQUITY AND LIABILITIES		15,290,222	20,971,022

The accompanying notes are an integral part of these financial statements.

STATEMENT OF
CHANGES IN EQUITY
For the financial period from 1 January 2019 to 30 June 2020

	← Attributable to owners of the Parent →		
	Share capital RM	**Accumulated losses RM**	**Total RM**
Balance at 1 January 2018	81,559,823	(54,892,167)	26,667,656
Loss for the year	-	(7,715,572)	(7,715,572)
Total comprehensive loss	-	(7,715,572)	(7,715,572)
Balance at 31 December 2018	81,559,823	(62,607,739)	18,952,084
Balance at 1 January 2019	81,559,823	(62,607,739)	18,952,084
Loss for the period	-	(6,508,861)	(6,508,861)
Total comprehensive loss	-	(6,508,861)	(6,508,861)
Balance at 30 June 2020	81,559,823	(69,116,600)	12,443,223

The accompanying notes are an integral part of these financial statements.

STATEMENT OF
CASH FLOWS

For the financial period from 1 January 2019 to 30 June 2020

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(6,508,861)	(7,715,572)
Adjustments for:			
Interest income		(37)	(1,267)
Impairment loss on investment in subsidiaries		2,929,000	6,566,323
Impairment loss on non-current assets held for sale		2,167,801	-
Loss before working capital changes		(1,412,097)	(1,150,516)
Working capital changes:			
Trade and other receivables		13,138	(9,979)
Trade and other payables		(217,534)	716,921
Cash outflows from operations		(1,616,493)	(443,574)
Interest received		37	1,267
Net cash outflows from operating activities		(1,616,456)	(442,307)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Advances to)/repayment of advances from a subsidiary company		(124,000)	5,309,307
Repayment of quasi loan from/(quasi loan to) a subsidiary company		1,025,177	(8,746,530)
Net cash inflows/(outflows) from investing activities		901,177	(3,437,223)
CASH FLOWS FROM FINANCING ACTIVITY			
Advances from a subsidiary company		1,045,595	-
Net cash inflows from financing activity	A	1,045,595	-

STATEMENT OF CASH FLOWS

For the financial period from 1 January 2019 to 30 June 2020
(cont'd)

	NOTE	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		330,316	(3,879,530)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		24,352	3,903,882
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	22	354,668	24,352

A. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	As at 1 January 2019 RM	Cash flows movement RM	As at 30 June 2020 RM
Amount due to holding company	-	1,045,595	1,045,595

The accompanying notes are an integral part of these financial statements.

1. BASIS OF PREPARATION

Dolphin International Berhad is a public listed company incorporated and domiciled in Malaysia. The Company is quoted on the Main Market of the Bursa Malaysia Securities Berhad.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 October 2020.

(a) Statement of compliance

The financial statements comply with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia.

On 1 January 2019, the Group and the Company adopted the following new MFRSs, IC Interpretation and Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2019:

Standards/IC Interpretation/Amendments to Standards

MFRS 16 – Leases

IC Interpretation 23 – Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015 – 2017 Cycle:

- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 112 Income Taxes

Amendments to MFRS 9 – Prepayment Features with Negative Compensation

The adoption of the above new MFRSs, IC Interpretation and Amendments to MFRSs do not have any material effect on the financial statements of the Group and of the Company except as disclosed in Note 42.

1. BASIS OF PREPARATION *(continued)*

(a) Statement of compliance *(continued)*

The following new MFRSs, IC Interpretations and Amendments to MFRSs have been issued and are relevant but are not yet effective to the Group and the Company:

Standards/IC Interpretation/Amendments to Standards	Effective date
Amendments to MFRS 101 – Definition of Material	1 January 2020
Amendments to MFRS 108 – Definition of Material	1 January 2020
Amendments to MFRS 137 – Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139 – Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 16 – Covid-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139 – Interest Rate Benchmark Reform – Phase 2	1 January 2021
Annual Improvements to MFRS Standards 2018 – 2020 • Amendments to MFRS 9 Financial Instruments	1 January 2022
Amendments to MFRS 116 – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 – Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101 – Classification of Liabilities as Current and Non-current	1 January 2023

The initial adoption of the new MFRSs, IC Interpretations and Amendments to MFRSs do not have any material effect on the financial statements.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia which is the Group's and the Company's presentation currency.

The functional currency of the Company is Ringgit Malaysia.

1. BASIS OF PREPARATION *(continued)*

(c) Basis of measurement

The financial statements are prepared under the historical cost convention unless otherwise indicated in the accounting policies.

(d) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of contingent liabilities at the reporting date. However uncertainty about these judgments, assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in material adjustment to the Group's and the Company's carrying amounts of assets and liabilities within the next financial year are discussed below:

Group

(i) Impairment of capital work-in-progress and intangible assets – development costs

The Group determines whether intangible asset, not yet available for use, is impaired, at least on an annual basis. Capital work-in-progress and intangible asset are also assessed for impairment whenever there is an indication of impairment.

This requires an estimation of the value-in-use of the assets. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the assets and also to choose a suitable discount rate in order to calculate the present value of the cash flows. The assumptions to determine the value-in-use require exercise of significant management judgments.

The carrying amounts of the Group's capital work-in-progress and intangible asset are disclosed in Notes 12 and 15 to the financial statements.

1. BASIS OF PREPARATION *(continued)*

(d) Use of estimates and judgments *(continued)*

(ii) Construction revenue and expenses

The Group recognise construction revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue and expenses, as well as the recoverability of the construction projects.

The carrying amounts of contract assets and liabilities are disclosed in Note 20 to the financial statements.

Company

Impairment of investment in subsidiary companies

Investment in subsidiary companies are assessed for indication of impairment at the end of each reporting period.

Significant judgment is required in the estimation of the present value of future cash flows generated by the subsidiary companies, which involves uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates.

The carrying amounts of the Company's investment in subsidiary companies is disclosed in Note 16 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements unless otherwise stated in Note 42.

(a) Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

The Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(ii) Acquisitions of non-controlling interests

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(a) Basis of consolidation *(continued)*

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the influence retained.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements except when an unrealised loss may indicate an impairment loss that requires recognition in the consolidated financial statements.

(v) Non-controlling interest

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Subsidiary companies

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights are considered when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the separate financial statements of the Company, investments in subsidiaries are measured at cost less any impairment losses, if any.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

(c) Property, plant and equipment

All items of property, plant and equipment are initially recorded at costs.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Subsequent costs are included in the assets' carrying amounts or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Company and the costs of the items can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any except for freehold land and building.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Property, plant and equipment *(continued)*

Freehold lands have an unlimited useful life and therefore are not depreciated. Capital-in-progress and renovation under construction are not depreciated as these assets are not yet available for use.

Freehold land and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and buildings does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Capital work-in-progress consists of property, plant and equipment under construction for intended use.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Property, plant and equipment *(continued)*

Depreciation is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

	Useful lives (years)
Leasehold land	99 years
Leasehold building	50 years
Freehold buildings	50 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	5 – 10 years
Renovation	10 years
Plant and machineries	16 years
Computers	5 – 10 years
Biogas plant	16 years

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss.

(d) Goodwill

Goodwill is initially measured at cost. Following the initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Goodwill is allocated to cash generating units and is tested for impairment annually or more frequently if event or changes in circumstances indicate that the carrying value might be impaired. Where the recoverable amount of the cash-generating units is less than the carrying amount, an impairment is recognised in the profit or loss. Impairment losses for goodwill are not reversed in subsequent periods.

Gains or losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Intangible assets

Research and development costs

Research costs are recognised in profit or loss as incurred.

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset for use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Amortisation commences when the asset is at commercialisation phrase or such new processes are commercialised.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for intangible assets with a finite useful lives are reviewed at the end of each reporting period, to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of future economic benefits embodied in the intangible assets.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(e) Intangible assets *(continued)*

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(f) Inventories

Inventories are valued at the lower of costs and net realisable values. Costs of trading parts and materials and work-in-progress comprise the original costs of purchase and the costs of bringing the inventories to their present locations and conditions. Cost is determined on the first-in first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

(g) Taxes

Tax charged on the profit or loss for the period comprises current and deferred taxes. Current period tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax liabilities and assets are provided for under the liability method in respect of temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unused tax losses and capital allowances. Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Taxes *(continued)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(h) Impairment of assets

The carrying amounts of the Group's and Company's assets other than inventories, deferred tax assets and financial assets that are within the scope of MFRS 9, contract assets, non-current assets and disposal group classified as held for sale, investment properties that are measured at fair value, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount is less than the carrying amount of the asset.

The impairment loss is recognised in the profit or loss immediately. All reversals of an impairment loss are recognised as income immediately in the profit or loss and the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortisation or depreciation, had no impairment loss been recognised for the asset in prior years.

(i) Revenue recognition

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

The Group and the Company measure revenue from sale of goods or services at their transaction prices, being the amounts of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Revenue recognition *(continued)*

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the goods or services underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creating a separate new contract, terminating the existing contract and creation of a new contract; or forming a part of the existing contracts.

(i) Construction contracts

The Group fabricates palm oil milling machineries under construction contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the commercial and industrial properties is transferred over time as the Group and the Company create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of a performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Sales are made with a credit term of 30 days to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group and the Company become entitled to invoice customers for construction of commercial and industrial properties based on achieving a series of performance-related milestones.

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(i) Revenue recognition *(continued)*

(i) Construction contracts *(continued)*

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

(ii) Sales of goods and services

Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods. Sales of services are recognised when the services are rendered.

(iii) Dividends income is recognised when the right to receive payment is established.

(j) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

(k) Preference shares

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Group's option, and any dividend payments are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividend thereon are recognised as interest expense in profit or loss as accrued.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(l) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

A foreign subsidiary of the Group provides retirement benefits plan to its employees in conformity with the requirements of the law.

The calculation of estimated liabilities for the retirement benefits plan is determined using management's calculation. The assumptions used are discount rate, annual salary increment rate and pension age.

The Group recognises the following costs in profit or loss:

- Service cost comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

(m) Leases

The Group as lessee

From 1 January 2019, leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

(i) Lease term

In determining in the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term when it is reasonably certain to be extended (or not to be terminated).

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(i) Lease term *(continued)*

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term or not to exercise an option previously included in the determination of the lease term. A revision in lease term results in remeasurement of the lease liabilities.

(ii) ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss if any. The ROU assets are generally depreciated over the shorter of the asset's useful life and lease term on a straight-line basis. If the Group are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

ROU assets-office equipment and motor vehicles are depreciated over the lease period of 46 months and 5 years respectively.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(iii) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

(iv) Reassessment of lease liabilities

The Group are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

(v) Short term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short term leases and low-value assets are recognised on a straight-line bases as an expense in profit or loss.

The Group has applied MFRS 16 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy as follows:

(i) Classifications

A lease is recognised as a finance lease or hire purchase if it transfers substantially to the Group all the risks and rewards incidental to ownership of the underlying asset to the lessee. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases – the Group as lessee

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(m) Leases *(continued)*

The Group as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(i) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

(n) Foreign currencies

(i) Translation of foreign currency transactions and balances

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period. Non-monetary items carried at fair values that are denominated in foreign currencies are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items that are measured at their historical cost amounts continue to be translated at their historical rates and are not retranslated.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Foreign currencies *(continued)*

(ii) Translation of foreign operations

The assets and liabilities of the foreign operations are expressed in Ringgit Malaysia by using exchange rates prevailing at the end of a reporting period. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operations and translated at the closing rate. Income and expense items are translated at average rates for the period, which approximate the actual rates ruling at the dates of the respective transactions. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income, an attributed portion is allocated to non-controlling interests, if applicable, and the balance attributable to owners of the parent is retained in an exchange translation reserve.

(o) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

(p) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.

(q) Financial instruments

Financial instruments are recognised on the statements of financial position when the Group and the Company have become a party to the contractual provisions of the instrument.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

Financial assets

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group and the Company.

Financial assets are derecognised when the right to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company has transferred substantially all the risks and rewards of ownership.

(i) Classification

The Group and the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's and the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group and the Company have made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group and the Company reclassify debt instruments when and only when their business model for managing those assets changes.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

(ii) Measurement

At initial recognition, trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

Except for trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, at initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify its debt instruments:

(a) Amortised costs

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is recognised using the effective interest rate method. Any gain or loss arising on derecognition is recognised in profit or loss together with foreign exchange gains and losses.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

(ii) Measurement *(continued)*

(b) Fair value through other comprehensive income (FVOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through, other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method.

(c) Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Any gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss.

Equity Instruments

The Group and the Company subsequently measure all equity instruments at fair values.

Where the Group and the Company have elected to present fair value gain and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the instruments.

Changes in the fair value of financial assets at fair value though profit or loss are recognised in profit or loss.

Dividends are recognised in profit or loss when the rights to receive payment is established.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

(iii) Impairment

The Group and the Company assess on a forward looking basis the expected credit loss associated with their debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and Company's historical experience and informed credit assessment and including forward-looking information.

For trade receivables, the Group and the Company apply the simplified approach permitted by MFRS 9, which requires expected lifetime loss to be recognised from initial recognition of the receivables.

Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group and Company.

Financial liabilities are derecognised when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

(i) Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and there are recent actual pattern of short-term profit-taking;
- It is a derivative (except for financial guarantee contract or a designated and effective hedging instrument).

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(q) Financial instruments *(continued)*

(ii) Other financial liabilities

Other financial liabilities are financial liabilities that are not classified as financial liabilities at FVTPL.

Other financial liabilities are initially recognised at fair value plus transactions costs. Financial liabilities carried at fair value through profit or loss are initially recognised at fair value and transactions costs are expensed in the profit or loss.

Other financial liabilities are subsequently carried at amortised cost using the effective interest method. Financial liabilities at FVTPL are measured at fair value except for derivatives liability that are linked to and must be settled by delivery of such unquoted equity instruments whose fair value cannot be reliably measured are measured at cost.

Gains or losses arising from changes in fair value from financial liabilities classified at FVTPL are recognised in profit or loss.

Gains or losses from other financial liabilities carried at amortised costs are recognised through profit or loss.

(r) Earning per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(s) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both.

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses, if any.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful life of 95 years.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(t) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocation resources and assessing performance of the operating segments, has been identified as the Group Managing Director of the Group that makes strategic decisions.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(u) Fair value measurement

A fair value of an asset or a liability except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement method adopted assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For assets, liabilities and equity instruments (whether financial or non-financial items) that require fair value measurement or disclosure, the Group and the Company establishes a fair value measurement hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value. This fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets, liabilities or equity instruments and the lowest priority to unobservable inputs.

A fair value measurement of an item is classified as a Level 1 measurement if it is estimated using a quoted price in an active market. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Group can enter into a transaction for the asset or liability at the price in that market at the measurement date.

In the absence of Level 1 inputs, a fair value measurement of an item is classified as a Level 2 measurement if it is estimated by an established valuation technique using inputs from the marketplace that are observable for substantially the full term of the asset or liability.

In the absence of both Level 1 and Level 2 inputs, a fair value measurement of an item is classified as a Level 3 measurement if it is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(v) Associate company

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's investments in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the separate financial statements of the Company, investment in associate company is stated at cost less impairment losses, if any.

(w) Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(w) Borrowing costs *(continued)*

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(x) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

(y) Non-current assets and disposal groups held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale of their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Non-current assets and disposed groups classified as held for sale are measured to the lower of their carrying amount and fair value less costs to sell.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(y) Non-current assets held for sale and discontinued operations *(continued)*

The criteria for held for sale classification is regarded as met only when:

i) the asset or disposal group is available for immediate sale in its present condition;
ii) the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
iii) the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Any impairment loss on disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associated and joint venture ceases once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

A disposal group qualifies as discontinued operation of it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

(a) Credit risk management

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only major banks are accepted.

As at the end of the reporting period, the maximum exposure to credit risk arising from financial assets are represented by their carrying amounts in the statements of financial position. The carrying amount of financial assets are not secured by any collateral or supported by any other credit enhancements.

The Group applies the simplified approach in providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risks characteristics and the days past due. The Group also assessed the risk of loss of each customer based on their financial information and past trend of payments, where applicable.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group and the Company considers a financial asset in default when:

- the borrower is unable to pay its credit obligations to the Group or Company in full, without taking into account any credit enhancements held by the Group or Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group or Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk management *(continued)*

The information about the credit risk exposure on the Group's trade receivables and contract assets are as follows:

GROUP	**Gross carrying amount RM**
As at 30 June 2020	
Current	347,221
1 to 30 days past due not impaired	700,513
31 to 60 days past due not impaired	-
61 to 90 days past due not impaired	577,508
More than 90 days past due not impaired	780,029
	2,405,271
Individually impaired	437,334
	2,842,605

GROUP	**Gross carrying amount RM**
As at 31 December 2018	
Current	7,409,793
1 to 30 days past due not impaired	579,613
31 to 60 days past due not impaired	14,142
61 to 90 days past due not impaired	15,475
More than 90 days past due not impaired	175,469
	8,194,492
Individually impaired	291,446
	8,485,938

As at 30 June 2020, the loss allowance for contract assets is as disclosed in Note 20 to the financial statements.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk management *(continued)*

The credit concentration profile by geographical areas on trade receivables of the Group as at the reporting date is as follows:

	GROUP			
	As at 30/6/2020		As at 31/12/2018	
By country:	**RM**	**%**	**RM**	**%**
Malaysia	1,526,704	64	6,770,993	83
Indonesia	872,853	36	1,409,236	17
Thailand	5,714	-	14,263	-
	2,405,271	100	8,194,492	100

The Group and the Company applied the 12 month expected credit losses on other receivables, deposits, cash and bank balances and the credit risk is considered low especially for deposits placed with licensed bank and thus no impairment is required.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risks, the Group and the Company compare the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect or recovery. This is generally the case when the Group and the Company determines that the receivable does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(a) Credit risk management *(continued)*

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risks amounts to RM27,909,905 (2018: RM38,049,920) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 35 to the financial statements. As at the reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantee.

(b) Liquidity risk management

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, preference shares, lease liabilities and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the Directors to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk management *(continued)*

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations as follows:

As at 30 June 2020	Within 1 year RM	Between 2 and 5 years RM	More than 5 years RM	Total RM
Group				
Non-derivative financial liabilities				
Trade and other payables	17,173,909	-	-	17,173,909
Lease liabilities	554,781	712,710	-	1,267,491
Term loans	1,068,149	4,272,596	10,737,063	16,077,808
Preference shares	4,130,000	5,980,000	-	10,110,000
	22,926,839	10,965,306	10,737,063	44,629,208
Company				
Non-derivative financial liabilities				
Financial guarantee	27,909,905	-	-	27,909,905
Trade and other payables	2,846,999	-	-	2,846,999
	30,756,904	-	-	30,756,904

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(b) Liquidity risk management *(continued)*

As at 31 December 2018	On demand or within 1 year RM	Between 1 and 5 years RM	More than 5 years RM	Total RM
Group				
Non-derivative financial liabilities				
Trade and other payables (excluding deferred income)	23,584,772	4,103,432	-	27,688,204
Lease liabilities	105,701	99,119	-	204,820
Loans and borrowings	10,606,308	27,360,949	8,056,652	46,023,909
Preference shares	-	8,020,000	-	8,020,000
	34,296,781	39,583,500	8,056,652	81,936,933
Company				
Non-derivative financial liabilities				
Financial guarantee	38,049,920	-	-	38,049,920
Trade and other payables	2,018,938	-	-	2,018,938
	40,068,858	-	-	40,068,858

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Market risks

(i) Foreign currency risk management

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when sales and purchases that are denominated in a foreign currency) and the Group's net investments in a foreign subsidiary.

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD"), Euro ("EURO") and Indonesian Rupiah ("IDR").

During the period, there is no formal hedging policy with respect to foreign exchange risk exposure. The Group monitors its foreign exchange risk exposure on an on-going basis and endeavours to keep the net exposure at an acceptable level.

The following table demonstrates the sensitivity to a reasonably possible change in the USD, Euro and IDR, with all other variables held constant on the Group's total equity and profit for the financial period/year.

GROUP	Change in rate	Effect on profit for the financial period/year RM	Effect on equity RM
As at 30 June 2020			
- EURO (i)	+ 15%	27,407	27,407
	- 15%	(27,407)	(27,407)
- USD (ii)	+ 15%	(79,227)	(79,227)
	- 15%	79,227	79,227
- IDR (iii)	+ 15%	(1,137)	(1,137)
	- 15%	1,137	1,137
As at 31 December 2018			
- USD (ii)	+ 15%	290,088	290,088
	- 15%	(290,088)	(290,088)
- IDR (iii)	+ 15%	51,277	51,277
	- 15%	(51,277)	(51,277)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

(c) Market risks *(continued)*

(i) Foreign currency risk management *(continued)*

(i) This is mainly attributable to the foreign exchange exposure of outstanding EURO denominated payables at the reporting date.

(ii) This is mainly attributable to the foreign exchange exposure of outstanding USD denominated payables, receivables and cash and bank balances as at the reporting date.

(iii) This is mainly attributable to the foreign exchange exposure of outstanding IDR denominated cash and bank balances and trade receivables as at the reporting date.

(ii) Interest rate risk management

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial period/year.

GROUP	Change in basis point	Effect on profit for the financial period/year RM	Effect on equity RM
As at 30 June 2020	+ 50	(106,129)	(106,129)
	- 50	106,129	106,129
As at 31 December 2018	+ 50	(144,590)	(144,590)
	- 50	144,590	144,590

4. CAPITAL RISK MANAGEMENT

The primarily objective of the Group's and of the Company's capital management is to maintain a strong credit rating and healthy capital ratio, ensure sufficient funds to manage day-to-day business operation and to fund their expansion and growth.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratios at 30 June 2020 and 31 December 2018 are as follows:

	GROUP		COMPANY	
	As at 30/6/2020 RM	As at 31/12/2018 RM	As at 30/6/2020 RM	As at 31/12/2018 RM
Trade and other payables	17,173,909	27,732,150	2,846,999	2,018,938
Term loans	9,277,613	31,219,263	-	-
Short term borrowings (excluding term loan)	-	6,830,657	-	-
Lease liabilities	1,174,342	187,253	-	-
Preference shares	8,543,536	5,611,579	-	-
Total debts	30,169,400	71,580,902	2,846,999	2,018,938
Total equity	22,986,591	23,948,018	12,443,223	18,952,084
Gearing ratio	131%	299%	23%	11%

5. FINANCIAL INSTRUMENTS BY CATEGORIES

	As at 30/6/2020 RM	As at 31/12/2018 RM
GROUP		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables excluding prepayments and GST recoverable	2,687,411	8,551,753
- Fixed deposits placed with licensed banks	-	5,597,282
- Cash and cash equivalents	3,764,221	1,187,912
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Trade and other payables excluding deferred income	17,173,909	27,688,204
- Term loans	9,277,613	31,219,263
- Short term borrowings excluding term loan	-	6,830,657
- Preference shares	8,543,536	5,611,579
COMPANY		
Financial assets		
Financial assets measured at amortised cost		
- Trade and other receivables excluding prepayments and GST recoverable	125,000	1,000
- Cash and cash equivalents	354,668	24,352
Financial liabilities		
Other financial liabilities measured at amortised cost		
- Trade and other payables	2,846,999	2,018,938

Financial assets and financial liabilities other than preference shares are not carried at fair value but their carrying amounts are reasonable approximation of their values due to their short term nature.

The fair value of preference shares is determined at amortised cost using the effective interest method.

The carrying amount of non-current floating rate term loan is a reasonable approximate of fair value as the loan will be repriced to market interest rate on or near reporting date.

6. REVENUE

	GROUP		COMPANY	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Revenue from contracts with customers:				
- Sale of goods and services	6,437,395	5,936,850	-	-
- Contract works	6,074,463	7,416,638	-	-
- Management fees	-	-	360,000	240,000
	12,511,858	13,353,488	360,000	240,000
Timing of revenue recognition:				
- At a point in time	6,437,395	5,936,850	360,000	240,000
- Over time	6,074,463	7,416,638	-	-
	12,511,858	13,353,488	360,000	240,000

7. COST OF SALES

	GROUP	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Cost of goods sold	2,345,926	4,928,892
Project costs related to contract works	4,230,425	3,261,925
	6,576,351	8,190,817

8. LOSS BEFORE TAXATION

	GROUP		COMPANY	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Loss before taxation is stated after charging and (crediting):				
Auditors' remuneration:				
Malaysian operations				
current year	205,000	159,000	76,500	59,000
under/(over)provision in prior year	32,180	(4,000)	21,000	1,000
Overseas operations				
current year	38,518	26,117	-	-
(Income)/expense from financial assets at amortised costs:				
bad debts written off	19,495	-	-	-
loss allowance for receivables	262,754	40,303	-	-
reversal of loss allowance for receivables	(116,866)	(1,132,214)	-	-
Directors' remuneration:				
fees	44,000	256,500	44,000	256,500
other emoluments *#	303,589	794,231	221,813	441,412
Loss/(gain) on disposal of property, plant and equipment	461,116	(221,865)	-	-
Gain on disposal of non-current assets held for sale	(3,643,159)	-	-	-
Income from financial assets at amortised costs:				
bank interest income	(5,157)	(1,877)	(37)	(1,267)
interest income from fixed deposits	(71,305)	(181,632)	-	-
Provision for foreseeable loss on contract assets	153,173	13,411	-	-
Provision for retirement benefits	20,795	11,066	-	-
Property, plant and equipment written off	351,773	4,428	-	-
Lease interest expenses:				
hire purchase	5,710	25,700	-	-
right-of use assets	158,033	-	-	-
Impairment loss on investments in subsidiary company	-	-	2,929,000	6,566,323

8. LOSS BEFORE TAXATION *(continued)*

	GROUP		COMPANY	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Loss before taxation is stated after charging and (crediting):				
Expense/(income) on financial liabilities at amortised cost:				
reversal of fair value adjustment on other payable	10,731	-	-	-
intrinsic gain on amounts due to directors	-	(447,023)	-	-
intrinsic gain on other payables	-	(28,586)	-	-
waiver from other payable	(600,000)	-	-	-
Expense/(income) on financial assets and financial liabilities at amortised costs:				
realised loss on foreign exchange	124,498	122,079	-	-
unrealised (gain)/loss on foreign exchange	(37,778)	128,956	-	-
Interest expenses on financial liabilities at amortised cost:				
bank guarantee charges	-	1,648	-	-
bank overdrafts	297,072	857,510	-	-
commitment fees	1,268	8,549	-	-
invoice financing	48,628	76,357	-	-
promissory notes	-	8,503	-	-
term loans	828,057	758,633	-	-
trust receipts	66,087	221,855	-	-
intrinsic interest an amounts due to directors	230,138	216,886	-	-
intrinsic interest on other payables	-	17,854	-	-
intrinsic interest on preference shares	1,607,641	425,039	-	-
Depreciation of property, plant and equipment	501,655	595,037	-	-
Depreciation of investment property	3,679	2,467	-	-
Depreciation of right-of-use assets	706,675	-	-	-

8. LOSS BEFORE TAXATION *(continued)*

	GROUP		COMPANY	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Loss before taxation is stated after charging and (crediting):				
Operating lease – Rental of premises	-	99,911	-	-
Operating lease – Rental income from premises**	(14,400)	(9,373)	-	-
Impairment loss on investment in subsidiary company classified as held for sale	-	-	2,167,801	-
Operating lease – Rental of motor vehicles	-	3,552	-	-
Operating lease – Rental of office equipment	-	513,436	-	-
Loss allowance for contract assets	760,868	-	-	-
Short term lease – Rental of premises	134,422	-	-	-
Short term lease – Rental of office equipment	27,741	-	-	-
Staff costs*#	2,755,096	3,169,094	113,139	337,038

* Included in directors' other emoluments and staff costs of the Group and of the Company are amounts totalling RM355,998 and RM88,580 (2018: RM438,048 and RM147,240) respectively contributed to the Employees' Provident Fund.

** These comprise cancellable operating leases whereby two months' notice is required to terminate these agreements.

\# The estimated monetary value of other benefits not included in the above received by the directors of the Group and of the Company are amounts totalling RM Nil and RM Nil (2018: RM1,200 and RM24,600) respectively.

9. TAXATION

		GROUP	
		Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
(a)	Current Malaysian taxation	19,000	84,042
	Deferred taxation (Note 30)	(582,119)	(217,126)
		(563,119)	(133,084)
	Overprovision of taxation in prior year	(80,699)	(9,504)
	Real property gains tax	235,709	-
		(408,109)	(142,588)

There is no provision for current period and prior year for the Company as there is no chargeable income for the period/year under review.

(b) Reconciliation of tax expense and accounting loss :

	GROUP		COMPANY	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Accounting loss	(2,312,279)	(4,389,826)	(6,508,861)	(7,715,572)
Tax at the applicable tax rate	(554,869)	(1,053,558)	(1,562,127)	(1,851,737)
Tax effect of expenses that are not deductible in determining taxable profit	1,729,834	1,282,400	1,562,127	1,851,737
Tax effect of income that are not included in determining taxable profit	(1,083,831)	(10,605)	-	-
Adjustment on different tax rate in other countries	-	(1,848)	-	-
Movement from unrecognised deferred tax assets	(640,925)	(131,995)	-	-
Overprovision of deferred taxation in prior year	(13,328)	(217,478)	-	-
Tax expense	(563,119)	(133,084)	-	-

The corporate tax rate is 24% (2018: 24%). Consequently, deferred tax assets in Note 30 are measured using this rate.

10. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 31 January 2020, the Company entered into a Sales and Purchase Agreement to dispose a subsidiary company, Dolphin Biogas Sdn. Bhd. The disposal group consists of Dolphin Biogas Sdn. Bhd. and its wholly-owned subsidiary, Biogas Sulpom Sdn. Bhd. ("Dolphin Biogas Group"). The fair value is based on the total consideration stated on the Sales and Purchase Agreement to dispose Dolphin Biogas Sdn. Bhd. dated 31 January 2020 that was completed on 1 July 2020.

(a) An analysis of the results of Dolphin Biogas Group is as follows:

	GROUP	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
REVENUE	3,385,660	-
COST OF SALES	(1,328,549)	-
GROSS PROFIT	2,057,111	-
OTHER INCOME	1,346,812	470,889
ADMINISTRATIVE EXPENSES	(1,048,316)	(800,935)
FINANCE COSTS	(533,544)	(251,760)
IMPAIRMENT LOSS RECOGNISED ON THE REMEASUREMENT TO FAIR VALUE	(803,850)	-
PROFIT/(LOSS) BEFORE TAXATION	1,018,213	(581,806)
TAXATION	(190,578)	-
PROFIT/(LOSS) FOR THE PERIOD/YEAR	827,635	(581,806)

10. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(continued)*

(b) The major classes of assets and liabilities of Dolphin Biogas Group classified as held for sale as at 30 June 2020 are as follows:

	NOTE	Group As at 30/6/2020 RM
ASSETS		
Property, plant and equipment (net of impairment RM481,921)	12	24,882,054
Right-of-use assets (net of impairment RM26,697)	14	1,378,420
Goodwill on acquisition (net of impairment RM295,232)	15	-
Trade and other receivables		231,566
Fixed deposits with licensed banks		1,097,036
Cash and bank balances		1,970,270
ASSETS HELD FOR SALE		29,559,346
LIABILITIES		
Lease liabilities		1,428,551
Term loans		18,632,292
Deferred tax liabilities		176,000
Trade and other payables		6,458,096
Taxation		8,850
LIABILITIES DIRECTLY ASSOCIATED WITH ASSETS AS HELD FOR SALE		26,703,789
NET ASSETS DIRECTLY ASSOCIATED WITH DISPOSAL GROUP		2,855,557

10. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE *(continued)*

(c) The net cash flows incurred by Dolphin Biogas Group are as follows:

	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Operating	4,296,721	(802,928)
Investing	(568,394)	(20,812,701)
Financing	(2,341,907)	22,178,333
Net cash inflows	1,386,420	562,704

11. EARNINGS PER SHARE

	GROUP	
	As at 30/6/2020	As at 31/12/2018
Consolidated loss for the period/year (RM)	(1,058,440)	(4,230,342)
Weighted average number of ordinary shares in issue	244,200,010	244,200,010
Basic earnings per share (sen)	(0.43)	(1.73)
Diluted earnings per share (sen)	(0.43)	(1.73)

11. EARNINGS PER SHARE *(continued)*

	GROUP	
	As at 30/6/2020	As at 31/12/2018
Continuing operations		
Consolidated loss for the period/year (RM)	(1,886,075)	(4,230,342)
Weighted average number of ordinary shares in issue	244,200,010	244,200,010
Basic earnings per share (sen)	(0.77)	(1.73)
Diluted earnings per share (sen)	(0.77)	(1.73)

	GROUP	
	As at 30/6/2020	As at 31/12/2018
Discontinued operations		
Consolidated profit for the period (RM)	827,635	-
Weighted average number of ordinary shares in issue	244,200,010	-
Basic earnings per share (sen)	0.34	-
Diluted earnings per share (sen)	0.34	-

The diluted earnings per share is equal to the basic earnings per share as the outstanding warrants are anti-dilutive.

12. PROPERTY, PLANT AND EQUIPMENT

GROUP	Lands and buildings* RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computers RM	Plant and machineries RM	Biogas plant RM	Capital work-in-progress RM	Total RM
At cost/valuation										
At 1 January 2019	4,085,392	87,066	754,305	294,548	6,655,052	938,417	449,292	-	42,934,732	56,198,804
Additions	-	1,584	-	38,500	-	-	-	-	8,267,206	8,307,290
Disposals	(4,085,392)	-	(170,000)	(1,658)	-	(2,200)	-	-	-	(4,259,250)
Written off	-	(499)	-	(37,306)	(376,308)	(85,436)	(350,001)	-	-	(849,550)
Reclassification	13,334,912	-	-	-	-	-	-	-	(13,334,912)	-
Transfer (to)/from	-	-	-	-	-	-	-	26,177,960	(26,177,960)	-
Transfer to assets										-
held for sale	-	(1,584)	-	(35,706)	-	-	-	(26,177,960)	-	(26,215,250)
Exchange differences	-	548	2,821	941	956	119	4,860	-	-	10,245
At 30 June 2020	13,334,912	87,115	587,126	259,319	6,279,700	850,900	104,151	-	11,689,066	33,192,289

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

GROUP	Lands and buildings* RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computers RM	Plant and machineries RM	Biogas plant RM	Capital work-in-progress RM	Total RM
Accumulated Depreciation										
At 1 January 2019	85,392	48,195	561,172	172,069	394,467	750,394	173,759	-	-	2,185,448
Charge for the period	124,598	10,720	91,465	43,524	42,154	125,787	65,664	849,018	-	1,352,930
Disposals	(109,943)	-	(96,333)	(180)	-	(513)	-	-	-	(206,969)
Written off	-	(492)	-	(32,522)	(187,526)	(84,737)	(192,500)	-	-	(497,777)
Reclassification	194,049	-	-	-	(194,049)	-	-	-	-	-
Transfer to assets held for sale	-	(172)	-	(2,085)	-	-	-	(849,018)		(851,275)
Exchange differences	-	331	1,220	736	639	115	1,898	-	-	4,939
At 30 June 2020	294,096	58,582	557,524	181,542	55,685	791,046	48,821	-	-	1,987,296
Net book value										
At 30 June 2020	13,040,816	28,533	29,602	77,777	6,224,015	59,854	55,330	-	11,689,066	31,204,993

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

* ANALYSIS OF LANDS AND BUILDINGS

	Freehold lands RM	Freehold buildings RM	Total RM
At cost/valuation			
At 1 January 2019	3,040,000	1,045,392	4,085,392
Reclassification	10,000,000	3,334,912	13,334,912
Disposals	(3,040,000)	(1,045,392)	(4,085,392)
At 30 June 2020	10,000,000	3,334,912	13,334,912
Accumulated depreciation			
At 1 January 2019	-	85,392	85,392
Reclassification	-	194,049	194,049
Charge for the period	-	124,598	124,598
Disposals	-	(109,943)	(109,943)
At 30 June 2020	-	294,096	294,096
Net book value			
At 30 June 2020	10,000,000	3,040,816	13,040,816

12. PROPERTY, PLANT AND EQUIPMENT

GROUP	Lands and buildings* RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Computers RM	Plant and machineries RM	Capital work-in-progress RM	Total RM
At cost/valuation									
At 1 January 2018	8,128,982	87,614	1,799,880	297,054	6,472,849	923,180	454,153	28,043,896	46,207,608
Additions	-	-	-	3,981	183,158	15,356	-	14,890,836	15,093,331
Disposals	-	-	(1,201,992)	-	-	-	-	-	(1,201,992)
Written off	-	-	-	(5,580)	-	-	-	-	(5,580)
Reclassification	-	-	159,238	-	-	-	-	-	159,238
Revaluation	2,369,962	-	-	-	-	-	-	-	2,369,962
Transfer to asset classified as held for sale	(6,413,552)	-	-	-	-	-	-	-	(6,413,552)
Exchange differences	-	(548)	(2,821)	(907)	(955)	(119)	(4,861)	-	(10,211)
At 31 December 2018	4,085,392	87,066	754,305	294,548	6,655,052	938,417	449,292	42,934,732	56,198,804
Accumulated Depreciation									
At 1 January 2018	363,426	40,514	1,277,563	144,239	269,860	639,357	92,107	-	2,827,066
Charge for the year	165,377	7,959	140,471	28,369	58,353	112,189	82,319	-	595,037
Disposals	-	-	(1,015,595)	-	-	-	-	-	(1,015,595)
Written off	-	-	-	-	-	(1,152)	-	-	(1,152)
Reclassification	(66,700)	-	159,238	-	66,700	-	-	-	159,238
Transfer to asset classified as held for sale	(376,711)	-	-	-	-	-	-	-	(376,711)
Exchange differences	-	(278)	(505)	(539)	(446)	-	(667)	-	(2,435)
At 31 December 2018	85,392	48,195	561,172	172,069	394,467	750,394	173,759	-	2,185,448
Net book value									
At 31 December 2018	4,000,000	38,871	193,133	122,479	6,260,585	188,023	275,533	42,934,732	54,013,356

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

*** ANALYSIS OF LANDS AND BUILDINGS**

	Leasehold land (at cost) RM	Leasehold building (at cost) RM	Freehold lands (at valuation) RM	Freehold buildings (at valuation) RM	Total RM
At cost/valuation					
At 1 January 2018	4,006,991	445,221	1,615,502	2,061,268	8,128,982
Revaluation	-	-	2,280,960	89,002	2,369,962
Transfer to asset classified as held for sale	(4,006,991)	(445,221)	(856,462)	(1,104,878)	(6,413,552)
At 31 December 2018	-	-	3,040,000	1,045,392	4,085,392
Accumulated depreciation					
At 1 January 2018	189,334	40,811	-	133,281	363,426
Charge for the year	41,309	8,904	-	115,164	165,377
Reclassification	-	-	-	(66,700)	(66,700)
Transfer to asset classified as held for sale	(230,643)	(49,715)	-	(96,353)	(376,711)
At 31 December 2018	-	-	-	85,392	85,392
Net book value					
At 31 December 2018	-	-	3,040,000	960,000	4,000,000

a) Included in the Group's capital work-in-progress is a carrying amount of RM11,689,066 (2018: RM5,972,131) for a palm oil mill enhancement and optimisation project which the Group had secured in year 2017. To date the project has yet to be completed due to the unfavourable market and financial conditions.

As disclosed in Note 15 and Note 40(v)(b) to the financial statements, the Company has completed its rights issue of shares on 1 October 2020 to raise funds which includes but not limited to completing the palm oil mill enhancement and optimisation project. The Group expects to complete the project and to generate revenue on a recurring basis beginning of July 2021.

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

b) Included in motor vehicles, right-of-use assets are as follows:

	GROUP RM
30 June 2020	
At cost	
At 1 January 2019	438,541
Disposal	(170,000)
Exchange differences	2,821
At 30 June 2020	271,362
Accumulated depreciation	
At 1 January 2019	303,187
Charge for the period	38,693
Disposal	(101,334)
Exchange differences	1,220
At 30 June 2020	241,766
Net book value	
At 30 June 2020	29,596

c) Included under property, plant and equipment are:

	Net book value	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Motor vehicles under hire purchase	29,596	193,129
Freehold land and buildings (2018: Freehold land and building and capital work-in-progress) pledged as disclosed in Note 28 and Note 34	13,040,816	17,334,912

12. PROPERTY, PLANT AND EQUIPMENT *(continued)*

d) In prior year, properties transferred to assets classified as held for sale amounting to RM6,036,841 are assets owned by Dolphin Engineering (Malaysia) Sdn. Bhd. and Dolphin Applications Sdn. Bhd. Refer to Note 23(b) for further details.

In current period, property, plant and equipment transferred to the disposal group classified as held for sale amounting to RM28,503,159 are assets owned by Dolphin Biogas Group. Refer to Note 10 for further details.

e) In prior year, freehold lands and buildings were measured at Level 2 of fair value hierarchy. Freehold lands and buildings were revalued in year 2018 to RM4,000,000 using the sales comparison approach based on the valuation performed by the independent firm of professional valuers. Sales prices of comparable buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable lands and buildings.

In prior year, had the revalued lands and buildings been carried at historical cost less accumulated depreciation, the net carrying amount of the lands and buildings that would have been included in the financial statements of the Group is as follows:

	GROUP As at 31/12/2018 RM
Freehold lands	759,040
Freehold buildings	870,998
	1,630,038

f)

	GROUP	
	As at 30/06/2020 RM	**As at 31/12/2018 RM**
Property, plant and equipment for current period/year includes:		
Interest expenses	1,068,679	581,687

13. INVESTMENT PROPERTY

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
At cost		
At 1 January	194,612	198,824
Reversal of cost	-	(4,212)
At 30 June/31 December	194,612	194,612
Accumulated amortisation		
At 1 January	9,333	6,866
Charge for the period/year	3,679	2,467
At 30 June/31 December	13,012	9,333
Net book value		
At 30 June/31 December	181,600	185,279

The Group's investment property comprises one unit of leasehold commercial property with a lease period of 95 years expiring on 17 July 2091.

The investment property is measured at level 3 of the fair value hierarchy. The directors estimate fair value of the investment property at RM220,000 (2018: RM237,000). This is based on the information obtained from a real estate agent's website.

The following are recognised in profit or loss in respect of investment property:

	GROUP	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Direct operating expenses:		
Building maintenance	2,462	1,642
Quit rent and assessment	1,867	895

14. RIGHT-OF-USE ASSETS

	Office equipment RM
GROUP	
At cost	
At 1 January 2019 (Note 42 – Adoption of MFRS 16)	1,805,946
Additions	1,458,284
Transfer to assets classified as held for sale	(1,458,284)
At 30 June 2020	1,805,946
Accumulated depreciation	
At 1 January 2019	-
Charge for the period	759,840
Transfer to assets classified as held for sale	(53,167)
At 30 June 2020	706,673
Net book value	
At 30 June 2020	1,099,273

Right-of-use assets amounting to RM3,264,230 are acquired from leases.

15. INTANGIBLE ASSETS

GROUP	Development costs RM	Goodwill RM	Total RM
At cost			
At 1 January 2019	17,813,464	315,278	18,128,742
Transfer to assets classified as held for sales	-	(295,232)	(295,232)
At 30 June 2020	17,813,464	20,046	17,833,510
Accumulated impairment loss			
At 1 January 2019	208,913	20,046	228,959
Transfer to assets classified as held for sales	-	-	-
At 30 June 2020	208,913	20,046	228,959
Net carrying amount			
At 30 June 2020	17,604,551	-	17,604,551

15. INTANGIBLE ASSETS *(continued)*

GROUP	Development costs RM	Goodwill RM	Total RM
At cost			
At 1 January 2018	17,421,419	315,278	17,736,697
Additions	392,045	-	392,045
At 31 December 2018	17,813,464	315,278	18,128,742
Accumulated impairment loss			
At 1 January 2018 and 31 December 2018	208,913	20,046	228,959
Net carrying amount			
At 31 December 2018	17,604,551	295,232	17,899,783

a) Development costs

During the financial year ended 31 December 2017, the Group has secured a palm oil mill enhancement and optimisation project. The development expenditures incurred were in relation to the development of an improved automated sterilisation system for palm oil extraction which is yet to be commercialised. The project has yet to be completed to date due to the unfavourable market and financial conditions.

On 1 October 2020, the Company has completed its rights issue of shares to raise funds which includes but not limited to completing the palm oil mill enhancement and optimisation project as disclosed in Note 12(a) and Note 40(v)(b). The Group expects to complete the project and to generate revenue on a recurring basis beginning of July 2021.

Included in the additions of the development costs for the financial period are as follows:

	GROUP	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Staff costs	-	92,045

Included in the development costs is an amount of RM208,913 (2018: RM208,913) which has been fully impaired for an ultrasonic technology.

15. INTANGIBLE ASSET *(continued)*

b) Goodwill

The carrying amount of goodwill allocated to the Group's cash generating unit ("CGU") is based on the CGU's excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets and liabilities. The goodwill was allocated to the Group's construction and project management cash generating unit.

The recoverable amount of a CGU is determined based on value-in-use calculations using 16 years of cash flows projections from financial budgets and projections approved by management.

16. SUBSIDIARY COMPANIES

	COMPANY	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Unquoted shares, at cost	65,470,002	65,470,002
Loan that are part of net investments	7,721,353	8,746,530
	73,191,355	74,216,532
Impairment losses	(56,225,323)	(53,296,323)
Transfer to non-current assets classified as held for sale	(4,267,801)	-
	12,698,231	20,920,209

Movement in impairment loss are as follows:

	COMPANY	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
At 1 January	53,296,323	46,730,000
Impairment during the period/year	2,929,000	6,566,323
At 30 June/31 December	56,225,323	53,296,323

The recoverable amount of investment in subsidiaries have been determined based on value in use calculations using cash flows projection from financial budgets and forecasts approved by Board of Directors. The discount rate used is 6.50%.

16. SUBSIDIARY COMPANIES *(continued)*

Loans that are part of net investments represent amount due from subsidiaries which are non-trade in nature, unsecured and non-interest bearing. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long term source of capital to the subsidiaries. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, they are stated at cost less accumulated impairment loss, if any.

The subsidiary companies are as follows:

			Percentage of issued share capital held by the Company	
Name of company	**Country of incorporation**	**Principal activities**	**As at 30/6/2020**	**As at 31/12/2018**
Dolphin Applications Sdn. Bhd.	Malaysia	Involved in the sale, design, engineering, development and integration of electro-automation and related proprietary systems and products for the palm oil milling sector.	100%	100%
Dolphin Engineering (M) Sdn. Bhd.	Malaysia	Involved in the sale, design, engineering, development and integration of pneumatic, hydraulic and related proprietary systems and products for the palm oil milling sector.	100%	100%
Dolphin Construction Sdn. Bhd. *	Malaysia	Involved in the business of general contractors, engineering contractors, civil engineers, site information and plant layout advisers and consultants (whether civil, mechanical, electrical, structural, chemical, marine or otherwise)	100%	100%

16. SUBSIDIARY COMPANIES *(continued)*

Name of company	Country of incorporation	Principal activities	Percentage of issued share capital held by the Company As at 30/6/2020	As at 31/12/2018
Dolphin Components Sdn. Bhd.	Malaysia	The Company did not trade during the financial period	75%	75%
Dolphin Biogas Sdn. Bhd.	Malaysia	Investment holding	80%	100%
Held by Dolphin Application Sdn Bhd				
PT Dolphin Indonesia *	Indonesia	Trading and maintenance services of palm oil industry products	90%	90%
Dolphin Robotic Systems Sdn. Bhd.	Malaysia	Design, engineering and development of palm Fresh Fruit Brunches ("FFB") sterilisation and related system, components and parts	100%	100%
Held by Dolphin Biogas Sdn Bhd				
Biogas Sulpom Sdn. Bhd.	Malaysia	Business of manufacturer, processors and supplier of biogas	100%	100%
Dolphin Rashford Sdn. Bhd. *	Malaysia	Supply of construction materials and engaging in construction of building	51%	51%

* Not audited by PCCO PLT

16. SUBSIDIARY COMPANIES *(continued)*

On 21 January 2020, the subsidiary company has issued new ordinary shares which was not fully subscribed by the holding company. Hence, this has resulted in decreasing from 100% to 80%.

The effects of the decrease in the Company's ownership are as follows:

	Before the change RM	After the change RM	Effect on equity RM
Share of net assets	5,292,789	4,267,801	1,024,988

There is an additional impairment loss of RM2,929,000 for a subsidiary company and the recoverable amount of this subsidiary company is based on value in use using a discount rate 6.50%.

17. ASSOCIATE COMPANY

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
Unquoted shares, at cost	2,967	2,967
Impairment losses	(2,967)	(2,967)
	-	-

The associate company which was incorporated in Indonesia is:

Name of company	Principal activity	Percentage of issued share capital held by the Company As at 30/6/2020	As at 31/12/2018
PT Emas Hijau Sejahtera Kapuas Indonesia #	Dormant. Placed under members voluntary winding-up on 9 November 2017	30%	30%

18. INVENTORIES

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
At the lower of cost and net realisable value		
Trading parts and materials	481,064	533,309
Work-in-progress	313,343	1,213,258
	794,407	1,746,567

19. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	As at 30/6/2020 RM	As at 31/12/2018 RM	As at 30/6/2020 RM	As at 31/12/2018 RM
Trade receivables	2,842,605	8,485,938	-	-
Loss allowance	(437,334)	(291,446)	-	-
	2,405,271	8,194,492	-	-
Other receivables	122,010	310,949	1,000	1,000
Amount due from a subsidiary company				
- non-trade	-	-	124,000	-
GST recoverable	81,382	211,546	9,823	25,461
Deposits	160,130	46,312	-	-
Prepayments	362,329	228,980	2,500	-
	3,131,122	8,992,279	137,323	26,461

Trade receivables are non-interest bearing and on 30 days to 90 days credit terms.

Included in the Group's trade receivables is an amount of RM124,050 (2018: RM69,810) being retention sum received from customers of which RM69,810 is impaired.

Amount due from a subsidiary company is non-interest bearing and repayable on demand.

19. TRADE AND OTHER RECEIVABLES *(continued)*

Trade receivables denominated in currencies other than the functional currency are as follows:

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
United States Dollar	250,573	1,813,429
Indonesia Rupiah	-	248,101

Loss allowance

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
As at 1 January	291,446	1,604,404
Increase in loss allowance	262,754	40,303
Reversal of unused amount	(116,866)	(1,132,214)
Write off	-	(221,047)
At 30 June/31 December	437,334	291,446

20. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
Contract assets relating to the construction service contract	1,504,997	891,580
Loss allowance	(760,868)	-
	744,129	891,580
Contract liabilities relating to the construction service contract	(1,323,535)	(858,155)

20. CONTRACT ASSETS/(LIABILITIES) *(continued)*

Loss allowance	GROUP As at 30/6/2020 RM	As at 31/12/2018 RM
At 1 January	-	-
Increase in loss allowance	760,868	-
At 30 June/31 December	760,868	-

	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Revenue recognised that was included in the contract liabilities balance at 1 January 2019/1 January 2018	4,482,070	311,363

a) The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date.

The contract liabilities primarily relate to the advance consideration received from a customer for construction contract which revenue is recognised over time during the construction of a project.

b) Included in the contract assets relating to palm oil mill equipment contract is provision for foreseeable loss sum amounted to RM153,173 (2018: RM 13,411).

21. FIXED DEPOSITS PLACED WITH LICENSED BANKS

In prior year, the Group's fixed deposits placed with licensed banks earned effective interest rate ranging from 2.70% to 2.95%. The maturity period is 1 month.

In prior year, the Group's fixed deposits placed with licensed banks had been pledged to licensed banks to secure credit facilities granted to its subsidiaries as disclosed in Note 28 and Note 34 to the financial statements.

22. CASH AND BANK BALANCES

	GROUP		COMPANY	
	As at 30/6/2020 RM	As at 31/12/2018 RM	As at 30/6/2020 RM	As at 31/12/2018 RM
Bank balances	3,755,945	1,181,251	354,668	24,352
Cash in hand	8,276	6,661	-	-
Total cash and cash equivalents	3,764,221	1,187,912	354,668	24,352

Cash and bank balances denominated in currencies other than the functional currency are as follows:

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
United States Dollar	277,817	120,492
Indonesia Rupiah	7,604	93,746

23. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Company

a) Subsidiary company – Dolphin Biogas

	COMPANY	
	As at 30/6/2020 RM	As at 31/12/2018 RM
Unquoted shares, at cost	4,267,801	-
Impairment losses	(2,167,801)	-
	2,100,000	-

The reconciliation of movements in impairment loss are as follows:

	COMPANY	
	As at 30/6/2020 RM	As at 31/12/2018 RM
As at 1 January	-	-
Impairment during the period/year	2,167,801	-
As at 30 June/31 December	2,167,801	-

23. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE *(continued)*

The fair value is based on the total consideration stated in the Sales and Purchase Agreement to dispose Dolphin Biogas Sdn. Bhd. dated 31 January 2020 that was completed on 1 July 2020.

b) In prior year, included in the Group's non-current assets classified as held for sale were freehold and leasehold lands and buildings with carrying amount of RM6,036,841 (previously classified as property, plant and equipment).

The disposal of the properties was completed during the current financial period and the gain on disposal of these properties is disclosed in Note 8 to the financial statements.

24. SHARE CAPITAL

	GROUP			
	As at 30/6/2020		As at 31/12/2018	
	No. of Shares	RM	No. of Shares	RM
Ordinary shares	244,200,010	81,559,823	244,200,010	81,559,823
Arising from reverse acquisition*	-	(23,144,715)	-	(23,144,715)
	244,200,010	58,415,108	244,200,010	58,415,108

	COMPANY			
	As at 30/6/2020		As at 31/12/2018	
	No. of Shares	RM	No. of Shares	RM
Ordinary shares	244,200,010	81,559,823	244,200,010	81,559,823

The holders of ordinary shares are entitled to receive dividend as and when declared by the Company.

All ordinary shares carry one vote each without restriction and rank equally with regards to the distribution of the Company's residual assets.

* This arose from reverse acquisition of Dolphin Applications Sdn Bhd. which was completed on 31 March 2015, being difference between the purchase consideration to acquire Dolphin Applications Sdn. Bhd. and its share capital as at that date.

25. REVALUATION RESERVE – non-distributable

In prior year, the revaluation reserve includes the cumulative net change, net of deferred tax effects, arising from the revaluation of the freehold lands and buildings measured at fair value.

26. FOREIGN CURRENCY TRANSLATION RESERVE – non-distributable

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

27. LEASE LIABILITIES

Right-of-use - office equipment

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Minimum lease payments:		
Within one year	534,532	-
Between two to five years	712,710	-
	1,247,242	-
Less : Future finance charges	(91,785)	-
Present value of minimum lease payments	1,155,457	-
Repayments due:		
Within one year	472,548	-
Between two to five years	682,909	-
	1,155,457	-
Incremental borrowing cost	6.91%	-

Hire purchase

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Minimum lease payments:		
Within one year	20,249	105,701
Between two to five years	-	99,119
	20,249	204,820
Less : Future finance charges	(1,364)	(17,567)
Present value of minimum lease payments	18,885	187,253

27. LEASE LIABILITIES *(continued)*

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Repayments due:		
Within one year	18,885	94,561
Between two to five years	-	92,692
	18,885	187,253
Effective interest rate	4.64% to 6.18%	4.64% to 6.18%

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Total lease liabilities		
Repayments due:		
Within one year	491,433	94,561
Between two to five years	682,909	92,692
	1,174,342	187,253

28. TERM LOANS

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
Term loan I is at bank base lending rate repayable by 130 monthly installments of RM16,424	-	791,526
Term loan II is at 1.60% above effective Islamic cost of funds repayable by 180 monthly installments of RM89,012	9,277,613	9,681,441
Term loan III is at 2.5% per annum above the Bank's prevailing 1 month's effective cost of funds on monthly rest repayable by 60 monthly installments of RM6,553	-	297,266
Term loan IV is at 2.5% per annum above the Bank's prevailing 1 month's effective cost of funds on monthly rest repayable by 60 monthly installments of RM7,517	-	340,979
Term loan V is at 2.5% per annum above the Bank's prevailing 1 month's effective cost of funds on monthly rest repayable by 60 monthly installments of RM193,740	-	20,108,051
	9,277,613	31,219,263
Repayments due:		
Within one year (Note 34)	575,860	1,974,280
Between two to five years	2,644,411	22,653,355
More than five years	6,057,342	6,591,628
	8,701,753	29,244,983
	9,277,613	31,219,263

The term loans are secured as follows:

i) A fixed charge over all cash deposits deposited by the subsidiaries together with a cash deposit agreement;
ii) Corporate guarantee by the Company and a subsidiary;
iii) First and second legal charges created over the freehold and leasehold lands and buildings of the subsidiaries;
iv) Absolute assignment of life insurance policy for directors;
v) Guarantee executed by Credit Guarantee Corporation Malaysia Berhad;
vi) Debenture over fixed and floating charge; and
vii) Deed of assignment of contract proceeds.

29. PROVISION FOR RETIREMENT BENEFITS

A subsidiary company operates an unfunded defined retirement benefits plan for its employees.

Total amount recognised in the statements of financial position are as follows:

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
Present value of unfunded defined benefits obligations	54,604	32,022

The reconciliation for the retirement benefits plan are as follows:

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
At 1 January	32,022	21,984
Included in the profit or loss:		
- current service costs	23,055	9,261
- interest income	5,088	1,805
- effect of curtailment for resigned staffs	(7,348)	-
	20,795	11,066
Foreign exchange translation	1,787	(1,028)
At 30 June/31 December	54,604	32,022

The principal assumptions used are as follows:

	GROUP	
	As at 30/6/2020 %	As at 31/12/2018 %
Discount rate	7.80%	8.60
Expected rate of salary increase	8.00%	8.00

29. PROVISION FOR RETIREMENT BENEFITS *(continued)*

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumption, holding assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

GROUP	Change in rate	Effect of defined benefit obligation Increase/(decrease)
As at 30 June 2020		
- Discount rate	+ 1%	(1,837)
	- 1%	2,408
Expected rate of salary increased	+ 1%	2,767
	- 1%	(2,246)

	Change in rate	Effect of defined benefit obligation Increase/(decrease)
As at 31 December 2018		
- Discount rate	+ 1%	(1,663)
	- 1%	2,142
Expected rate of salary increased	+ 1%	2,342
	- 1%	(1,867)

30. DEFERRED TAXATION

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
At 1 January	582,119	799,245
Deferred tax expenses arising from and reversal of temporary differences	(568,791)	352
Overprovision of deferred tax liabilities in prior year	(13,328)	(217,478)
Transferred to profit or loss (Note 9)	(582,119)	(217,126)
At 30 June /31 December	-	582,119

30. DEFERRED TAXATION *(continued)*

The components of deferred tax liabilities and assets that are recognised during the financial year are as follows:

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Deferred tax liabilities:		
Capital allowances in excess of depreciation	15,424	-
Unrealised gain on foreign exchange	5,982	-
Revaluation of property, plant and equipment	-	582,119
Deferred tax assets:		
Unused tax losses	(21,406)	-
	-	582,119

The amounts of deferred tax assets that are not recognised in the statement of financial position are as follows:

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Unabsorbed capital allowances	198,091	-
Unused tax losses	1,508,361	1,348,735
Others	69,237	-
	1,775,689	1,348,735

31. OTHER PAYABLES – non-current

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Accruals	-	163,035
Amounts due to directors	-	3,940,397
	-	4,103,432

In prior year, the accruals and amounts due to directors were stated at amortised cost using the effective intrinsic rate of 6.11% per annum.

32. PREFERENCE SHARES

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
Redeemable non-convertible preference shares	8,543,536	5,611,579

	GROUP	
	As at 30/6/2020 RM	As at 31/12/2018 RM
Represented by:		
Within one year	3,614,665	-
More than one year and less than three years	4,928,871	5,611,579
	8,543,536	5,611,579

The main features of the preference shares are as follows:

(i) The preference shares comprise 1,011 units of redeemable non-convertible preference shares at the subscription price of RM 10,000 per share totalling RM10,110,000 (2018: 802 units of shares at subscription price of RM 10,000 per share totalling RM8,020,000) for the purpose of financing the palm oil mill enhancement and optimisation programme.

The preference shares are amortised at the effective intrinsic rate of 15.64% to 16.56% per annum.

The redemption date of the preference shares is on the day immediately preceding 36 calendar months from the issue date.

(ii) Right to dividends

The preference shares shall bear an expected dividend at the rate of not less than 17% per annum on the subscription price. The total dividends shall be non-cumulative.

From the period commencing from the issue date of the preference shares up to and including the first anniversary date of the issue date, there shall be no dividend payable.

32. PREFERENCE SHARES *(continued)*

(ii) Right to dividends *(continued)*

Subsequently commencing from the end of the 15th calendar month from the issue date and thereafter on a quarterly basis up to the redemption date.

The aggregate dividend for the tenure i.e. 36 calendar months from issue date is 51% of the subscription price.

It shall be an event of default if any such dividends are not declared and paid, in full or otherwise, on the dividend payment date. In any such event of default, the Subscriber shall be entitled to request the issuer to forthwith redeem the preference shares.

Payment of dividend is subject to the issuer has sufficient distributable profits available for payment of dividend.

(iii) Subscriber's rights

The preference shares do not confer or carry any right to vote at the general meeting of the issuer other than a resolution to amend or vary the rights of the subscriber.

The preference shares are unsecured and shall rank after all secured and unsecured obligations of the issuer.

(iv) Liquidation preference

In the event of liquidation, dissolution or winding-up or other repayment of capital of the issuer, the subscriber shall be entitled to be paid the following out of available profits for distribution and assets of the issuer:

- all accrued but unpaid dividends thereon; and
- an amount per share equivalent to the subscription price for each preference share.

In financial year 2018, the subscriber of the preference shares has agreed to waive the dividend payable for the first year from the respective issue date of the preference shares. On the same date, the subscriber agreed not to redeem the preference share during the tenure of 36 calendar months from the issue date.

33. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	As at 30/6/2020 RM	As at 31/12/2018 RM	As at 30/6/2020 RM	As at 31/12/2018 RM
Trade payables	11,997,716	11,308,247	-	-
Other payables	1,417,171	479,379	317,162	125,435
Deposits	1,663,431	6,003,000	1,045,180	675,000
Accruals	2,075,431	4,906,768	439,062	384,303
Deferred income	-	43,946	-	-
Amount due to a subsidiary company				
- non-trade account	-	-	1,045,595	-
Amounts due to directors	20,160	887,378	-	834,200
	17,173,909	23,628,718	2,846,999	2,018,938

Trade and other payables are non-interest bearing and on 30 days to 90 days terms.

Included in trade payables is an amount of RM Nil (2018: RM135,145) being retention sum.

Included in deposits for current financial period amounting to RM1,045,180 are deposit received from the purchaser towards the sale of disposed group classified as held for sale. (2018: Included in deposits is an amount totaling RM4,828,000 being deposits received from the purchaser towards the sale of non-current assets classified as held for sale)

Amount due to a subsidiary company is unsecured, interest free and repayable upon demand.

Amounts due to directors are unsecured, interest free and repayable on demand.

33. TRADE AND OTHER PAYABLES *(continued)*

Trade payables denominated in currencies other than the functional currency are as follows:

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Euro	176,312	-

34. SHORT TERM BORROWINGS

	GROUP	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Bank overdraft	-	3,841,721
Invoice financing	-	220,432
Trust receipts	-	2,768,504
Term loans (Note 28)	575,860	1,974,280
	575,860	8,804,937

The short term borrowings are secured as follows:

i) A fixed charge over all cash deposits deposited by the subsidiaries together with a cash deposit agreement;
ii) Corporate guarantee by the Company and a subsidiary;
iii) First and second legal charges created over the freehold and leasehold lands and buildings of the subsidiaries;
iv) Absolute assignment of life insurance policy for directors;
v) Guarantee executed by Credit Guarantee Corporation Malaysia Berhad; and
vi) Debenture over fixed and floating charge.

34. SHORT TERM BORROWINGS *(continued)*

The short term borrowings bear interests at rates which are on a floating rate basis as follows:

	GROUP	
	As at 30/6/2020 % per annum	**As at 31/12/2018 % per annum**
Bank overdrafts	-	8.04 to 8.67
Invoice financing	-	7.96 to 8.32
Trust receipts	-	7.96 to 9.21

In prior year, invoice financing and trust receipts have maturity periods ranging from 148 days to 150 days.

35. CONTINGENT LIABILITIES

	COMPANY	
	As at 30/6/2020 RM	**As at 31/12/2018 RM**
Unsecured		
Corporate guarantee granted to a licensed bank for credit facilities granted to subsidiaries	27,909,905	38,049,920

36. RELATED PARTIES

a) Identity of related parties

Parties are considered to be related to the Company or the Group if the Company or the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Company or the Group and the party are subject to common control. Related parties may be individuals or other entities.

36. RELATED PARTIES *(continued)*

b) Significant related party transactions

	COMPANY	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Management fees charged to subsidiaries	360,000	240,000

37. CAPITAL COMMITMENT

	GROUP	
	As at 306/2020 RM	As at 31/12/2018 RM
Contracted but not provided for in the financial statements	2,834,492	12,939,753

38. COMPENSATION OF KEY MANAGEMENT PERSONNEL

The key management personnel having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly.

	GROUP		COMPANY	
	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM	Period from 1/1/2019 to 30/6/2020 RM	Year ended 31/12/2018 RM
Total compensation (including directors)	1,147,555	1,498,210	378,951	778,450

The estimated monetary value of benefit-in-kind of the Group and of the Company is RM4,750 (2018: RM25,800) and RM Nil (2018: RM20,600) respectively.

39. SEGMENT INFORMATION

The group prepared the following segment information in accordance with MFRS 8 – Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

For current period the reportable operating segments are as follows:

a) Provision of sales, service and contract work relating to palm oil milling segment ("Palm oil milling");
b) Trading and services segment ("Trading and services"); and
c) Investment holding and management services segment ("Investment holding").

The reportable operating segments for revenue are as follows:

a) Provision of milling systems and solutions;
b) Supply of parts and maintenance services; and
c) Investment holding and management services.

Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment profit

Segment performance is used to measure performance as the Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment assets is measured based on all assets (excluding current tax assets and investment in an associate) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

Segment liabilities

The total segment liabilities is measured based on all liabilities (excluding provision of retirement benefits, current and deferred tax liabilities) of a segment, as included in the internal reports that are reviewed by the Group Managing Director.

39. SEGMENT INFORMATION *(continued)*

Business segment

	Provisions of milling systems and solutions RM	Supply of parts and maintenance services RM	Investment holdings and management services RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Period from 1/1/2019 to 30/6/2020						
Revenue						
Segment revenue	6,074,463	6,437,395	-	-	12,511,858	3,385,660
Inter-segment revenue	7,672,736	579,558	360,000	(8,612,294)	-	-
	13,747,199	7,016,953	360,000	(8,612,294)	12,511,858	3,385,660

	Palm oil milling RM	Trading and services RM	Investment holding RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Results						
Segment (loss)/profit before tax	(1,324,384)	(341,607)	(6,508,861)	5,862,573	(2,312,279)	1,018,213
As at 30 June 2020						
Net assets						
Current tax assets	121,400	-	-	-	121,400	-
Segment assets	102,600,718	1,405,110	15,290,222	(60,771,754)	58,524,296	29,559,346
Total segment assets	102,722,118	1,405,110	15,290,222	(60,771,754)	58,645,696	29,559,346

39. SEGMENT INFORMATION *(continued)*

Business segment *(continued)*

	Palm oil milling RM	Trading and services RM	Investment holding RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Current tax liabilities	-	(13,593)	-	-	(13,593)	-
Deferred tax liabilities	-	-	-	-	-	(176,000)
Provision of retirement benefits	-	(54,604)	-	-	(54,604)	-
Segment liabilities	(77,951,551)	(2,599,975)	(2,846,999)	45,905,590	(37,492,935)	(26,527,789)
Total segment liabilities	(77,951,551)	(2,668,172)	(2,846,999)	45,905,590	(37,561,132)	(26,703,789)
Total segment net assets	24,770,567	(1,263,062)	12,443,223	(14,866,164)	21,084,564	2,855,557

Period from 1/1/2019 to 30/6/2020
Other information

	Palm oil milling RM	Trading and services RM	Investment holding RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Depreciation of property, plant and equipment	462,720	38,935	-	-	501,655	851,275
Depreciation of investment property	3,679	-	-	-	3,679	-
Loss on disposal of property, plant and equipment	461,116	-	-	-	461,116	-
Interest expenses	3,005,772	6,724	-	-	3,012,496	533,544
Interest income	(75,553)	(873)	(37)	-	(76,463)	(36,863)
Bad debts written off	3,128	16,367	-	-	19,495	-
Loss allowance for receivables	18,906	243,848	-	-	262,754	-
Provision for foreseeable loss on contract assets	153,173	-	-	-	153,173	-

39. SEGMENT INFORMATION *(continued)*

Business segment *(continued)*

	Palm oil milling RM	Trading and services RM	Investment holding RM	Adjustments and eliminations RM	Consolidation – continuing operations RM	Discontinued operations RM
Provision for retirement benefits	-	20,795	-	-	20,795	-
Property, plant and equipment written off	351,774	-	-	-	351,773	-
Reversal of loss allowance of receivables	(95,346)	(21,520)	-	-	(116,866)	-
Unrealised gain on foreign exchange	(27,095)	(10,683)	-	-	(37,778)	-
Waiver from other payable	-	-	-	-	-	(600,000)
Depreciation of right-of-use assets	706,675	-	-	-	706,675	53,167
Loss allowance for contract assets	760,868	-	-	-	760,868	-

39. SEGMENT INFORMATION *(continued)*

Business segment

	Provisions of milling systems and solutions RM	Supply of parts and maintenance services RM	Investment holdings and management services RM	Adjustments and eliminations RM	Consolidation RM
Year ended 31/12/2018					
Revenue					
Segment revenue	7,416,638	5,936,850	-	-	13,353,488
Inter-segment revenue	14,912,611	1,792,241	240,000	(16,944,852)	-
	22,329,249	7,729,091	240,000	(16,944,852)	13,353,488
Results					
Segment (loss)/profit before tax	(2,682,767)	284,219	(1,150,169)	(841,109)	(4,389,826)
As at 31 December 2018					
Net assets					
Current tax assets	351,232	51,047	-	-	402,279
Segment assets	111,864,004	11,352,154	32,633,758	(59,299,037)	96,550,879
Total segment assets	112,215,236	11,403,201	32,633,758	(59,299,037)	96,953,158
Current tax liabilities	-	(400)	-	-	(400)
Deferred tax liabilities	(521,267)	(60,852)	-	-	(582,119)
Provision of retirement benefits	-	(32,022)	-	-	(32,022)
Segment liabilities	(82,887,034)	(11,942,708)	(2,021,872)	24,412,557	(72,439,057)
Total segment liabilities	(83,408,301)	(12,035,982)	(2,021,872)	24,412,557	(73,053,598)
Total segment net assets	28,806,935	(632,781)	30,611,886	(34,886,480)	23,899,560

39. SEGMENT INFORMATION *(continued)*

Business segment *(continued)*

	Provisions of milling systems and solutions RM	Supply of parts and maintenance services RM	Investment holdings and management services RM	Adjustments and eliminations RM	Consolidation RM
Year ended 31/12/2018					
Other information					
Depreciation of property, plant and equipment	480,408	114,629	-	-	595,037
Depreciation of investment property	-	-	2,467	-	2,467
Gain on disposal of property, plant and equipment	(186,826)	(35,039)	-	-	(221,865)
Interest expenses	2,308,202	310,332	-	-	2,618,534
Interest income	(628,765)	(29,086)	(1,267)	-	(659,118)
Loss allowance for receivables	15,420	24,883	-	-	40,303
Provision for foreseeable losses on contract assets	13,411	-	-	-	13,411
Provision of retirement benefits	-	11,066	-	-	11,066
Property, plant and equipment written off	3,635	793	-	-	4,428
Reversal of loss allowance	-	(1,132,214)	-	-	(1,132,214)
Unrealised loss on foreign exchange	105,863	23,093	-	-	128,956

39. SEGMENT INFORMATION *(continued)*

Business segment ***(continued)***

Nature of elimination to arrive at amounts reported in the consolidated financial statements:

a) Inter-segment revenue is eliminated in consolidation statements;
b) Inter-segment expenses are eliminated on consolidation; and
c) Inter-segment assets and liabilities are eliminated on consolidation.

Geographical segment

Revenue and non-current assets information based on the geographical location of customers are as follows:

	Revenue – continuing operations RM	Non-current assets – continuing operations RM	Revenue – discontinued operations RM	Non-current assets - discontinued operations RM
Period from 1/1/2019 to 30/6/2020				
Malaysia	10,957,811	49,992,658	3,385,660	26,260,474
Indonesia	1,554,047	97,759	-	-
	12,511,858	50,090,417	3,385,660	26,260,474
Year ended 31/12/2018				
Malaysia	12,050,074	71,968,831	-	-
Indonesia	1,303,414	129,587	-	-
	13,553,488	72,098,418	-	-

<u>Information about major customers</u>

For provision of milling systems and solutions segment revenue from three major customers represented RM4,098,409 (2018: RM6,861,025) of the Group's total revenue.

In previous year, the results of the development of palm fresh fruit bunches sterilisation and related systems were reported in supply of parts and maintenance services segment rather than in provision of sales, service and contract work relating to palm oil milling segment. The comparative information for the segments have not been restated as it is impracticable to do so and the cost to development it would be excessive. There is also no financial effect to the Group's loss for the period ended 30 June 2020.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Group and Company

(i) On 8 December 2017, PT Dolphin Indonesia ("PTDI"), a subsidiary Company, had filed a Writ of Summons at the Serang District Court against PT Arka Jaya Mandiri ("PTAJM"), being the Defendant. The lawsuit is a petition to state that the PTAJM had been negligent by not completing the project on time and that PTDI has no further obligations to them.

The Serang District Court rejected the lawsuit because it did not pass the administrative selection and suggested PTDI to file the lawsuit to East Jakarta District Court. On 21 August 2018, PTDI filed the lawsuit to East Jakarta District Court.

On 12 February 2019, it was resolved that East Jakarta District Court does not have the authority to inspect and adjudicate this case and the court recommends legal proceedings through arbitration. Nevertheless, PTDI decided not to pursue the case.

(ii) On 7 March 2018, PTDI attended the court hearing for the Writ of Summons filed on 29 January 2018 at the Tangerang District Court of Indonesia against PT Himalaya Transmeka ("PTHT"), being the defendant.

Based on the decision of Tangerang District Court dated 10 October 2018, PTHT has committed a default action by not completing the work project on time and also defaulted not adhering to PTDI's time limit of the work project given to the PTHT.

On 24 October 2018, the defendant filed an appeal against decision of Tangerang District Court. On 20 August 2019, the Banten District Court up held the decision of Tangerang District Court and instructed PTHT to pay the court fees.

On 19 November 2019, PTDI submitted the Cassation Memory Counter to the Supreme Court in response to Cassation Memory filed by PTHT on 23 October 2019. The cassation process is still ongoing.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD *(continued)*

(iii) **Originating Summon No.: KCH-24C-1/1-2020 between the Company and Tori Construction sealed on 24 January 2020 ("OS 1")**

Tori Construction initiated an adjudication proceeding in the Kuching High Court under the Construction Industry Payment and Adjudication Act 2012 by way of a notice of adjudication dated 10 September 2019 against Dolphin Engineering Sdn. Bhd. ("DESB"), a subsidiary company, for monies due and owing and for release of retention sums of RM3,118,329.85 with costs and interests.

An adjudication decision was delivered on 13 January 2020 in favour of Tori Construction.

On 24 January 2020, an originating summons ("OS 1") was filed by DESB to set aside the Adjudication Decision. On 21 February 2020, an application was served to stay the execution or enforcement of the Adjudication Decision pending the full disposal of all cause or matter as between DESB and Tori Construction.

The parties have exhausted the exchange of affidavits for the OS 1 and the stay application and the hearing date has been fixed for on 25 November 2020 to hear both matters collectively.

Originating Summon No.: KCH-24C-2/2-2020 between Tori Construction and the Company sealed on 5 February 2020 ("OS 2")

Tori Construction had on 5 February 2020 filed an originating summons ("OS 2") for the registration and enforcement of the Adjudication Decision. The Parties have exhausted the exchange of affidavits for the OS 2. On 3 June 2020, DESB filed a notice of application for striking out of OS 2 and alternatively for a stay of proceedings in OS 2 pending disposal of all proceedings in and/or related to OS 1 and the writ action files by DESB against Tori Construction.

The striking out application has been struck out with costs of RM3,000,000 to Tori Construction.

The hearing date has been fixed for hearing on 25 November 2020.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD *(continued)*

Originating Summon No.: KCH-22NCvC-7/3-2020 between the Company and Tori Construction sealed on 6 March 2020 ("Suit 7")

On 6 March 2020, a writ action was filed by DESB against Tori Construction for claim of damages for breach of contract amounting to RM3,265,437.45 with costs and interests.

On 24 June 2020, DESB filed the notice of application ("Order 4 Application") to transfer and consolidate the Suit 7 with OS 1 to be heard before the learned High Court Judge with respect to OS 1. On 19 August 2020, the Order 4 Application was heard and dismissed with cost in the cause. The parties have exchanged and exhausted pleadings in respect of the main action of Suit 7 filed by DESB, as well as the counterclaim filed by Tori Construction.

Pursuant to the directions of the High Court on 26 October 2020:

- all parties are to file and exchange Bundle of Documents in preparation for the trial before 11 January 2021;
- next case management is fixed on 11 January 2021; and
- trial is from 8 March 2021 to 12 March 2021.

(iv) On 31 January 2020, the Board of Directors of the Company had announced that the Company entered into a conditional sale of shares agreement with Asia Poly Green Energy Sdn Bhd ("APGE") for the disposal of its 80% equity interest in Dolphin Biogas Sdn Bhd ("DBSB") to APGE for a cash consideration of RM 2,123,675.50. At Extraordinary General Meeting held on 5 June 2020, the shareholders passed an ordinary resolution to approve the Proposed Disposal. On 26 June 2020, the Board of Directors of the Company announced that all conditions precedent to the sale of share agreement has been fulfilled and/or waived and accordingly, the sale of share agreement is unconditional. The sale of share agreement was completed on 1 July 2020.

(v) On 5 June 2020, an Extraordinary General Meeting was held for the followings:

a) a special resolution was passed to approve the Proposed Capital Reduction of the Company's issued share capital from RM81,559,823 to RM18,659,823 pursuant to Section 116 of the Companies Act 2016. Accordingly, on behalf of the Board of Directors of the Company, the lawyers had on 16 June 2020 filed a Petition to the High Court of Malaya at Shah Alam to obtain an order by the High Court confirming the Proposed Capital Reduction. The High Court had on 18 August 2020 granted an order confirming the special resolution passed by the shareholders on 5 June 2020 for the Capital Reduction. The Capital Reduction shall take effect and is completed on 3 September 2020.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD *(continued)*

b) an ordinary resolution was passed to approve the Proposed Renouncable Rights Issue of up to 412,087,515 new ordinary shares in the Company together with up to 247,252,509 free detachable warrants (Proposed Rights Issue). On 24 July 2020, the Company issued an Abridged Prospectus ("AP") to invite the shareholders to subscribe for the Proposed Rights Issue.

However, the subscription deadline for the Proposed Rights Issue was extended to 23 September 2020 pending the outcome of an independent investigation review as disclosed in Note 41(iii). The Proposed Rights Issue was completed on 1 October 2020.

c) an ordinary resolution was passed to approve the Proposed Capitalisation of RM7,196,466 owing by the Group to its identified creditors and a shareholder of the Company to be fully settled via issuance of 94,690,342 new shares in the Company. The Proposed Capitalisation was completed on 1 October 2020.

d) an ordinary resolution was passed to approve the Proposed Acquisition of 6,000,000 ordinary shares in Asia Poly Food and Beverage Sdn Bhd for a purchase consideration of RM 22 million. The Proposed Acquisition was completed on 1 October 2020.

e) an ordinary resolution was passed to approve the Proposed Diversification of the Dolphin group's principal activities to undertake the undertaking and provision of food and beverage services and related activities.

41. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD

(i) On 20 July 2020, a writ of summons was filed by Letrik Port Klang Sdn Bhd (LPKSB) against Dolphin Applications Sdn Bhd ("DASB") and Biogas Sulpom Sdn. Bhd. claiming RM1,047,563.80 together with interest. The Court has fixed case management on 24 November 2020.

41. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL PERIOD *(continued)*

(ii) On 5 August 2020, a writ of summons was filed by Unified Wanderer Engineering Sdn Bhd (UWSB) against Dolphin Engineering Sdn. Bhd. ("DESB") and DASB claiming RM396,708.94 together with interest against DESB and against DASB of RM55,132.20 together with interest respectively. The Court has fixed case management on 10 November 2020.

(iii) On 7 August 2020, the Company suspended the power and authority of the Group's Managing Director in relation to the alleged breach of fiduciary duty. On 18 August 2020, the Company appointed Messrs. Moore Stephens Associates PLT to perform investigation review in 2 phases. The first phase of the investigation review was completed and announced on 26 August 2020. The second phase of the investigation review was completed on 28 October 2020. Both reports stated that it is reasonable to conclude that up to the date of these reports, there is no breach of applicable laws and regulations. However, the Board is also seeking legal advise on the matters pertaining to the above.

(iv) As Covid-19 pandemic continue to evolve, the government is implementing additional measures to address the resulting public health issues and the economic impact. The Group and Company will continue to monitor the Covid-19 pandemic situation and will take action as necessary.

42. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES

In accordance with the transitional provisions for MFRS 16 – Leases, the Group has elected to use the simplified retrospective transition method where the comparative information was not restated and the cumulative effects of initial application of MFRS 16 where the Group is a lessee was recognised as an adjustment to the opening balance as at 1 January 2019.

On initial adoption of MFRS 16, the Group recognises right-of-use assets and the corresponding lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of MFRS 117 Leases. These lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee incremental borrowing rate used on 1 January 2019 was 6.91%.

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the leases recognised in the statement of financial position as at 31 December 2018.

42. SIGNIFICANT CHANGES IN ACCOUNTING POLICIES *(continued)*

For leases previously classified as finance leases and presented as part of 'property, plant and equipment', the Group recognised the carrying amount of the lease assets and lease liabilities immediately before transition which were measured applying MFRS 117 as the carrying amount of the ROU asset and the lease liability at the date of initial application.

In applying MFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.

In addition the Group has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date. The Group relied on its assessment made applying MFRS 117 and IC Interpretation 4 Determining whether an Arrangement Contains a Lease.

The impact on the carrying amounts of assets and liabilities resulting from the adoption of MFRS 16 as at 1 January 2019 is as follows:

Group	As at 31 December 2018 - MFRS 117 RM	Effect on adoption of MFRS 16 RM	As at 1 January 2019 - MFRS 16 RM
Right-of-use assets	-	1,805,946	1,805,946
Lease liabilities	61,777	1,805,946	1,867,723

Reconciliation of lease commitment to lease liability:

	RM
Operating lease commitments disclosed as at 31 December 2018	2,049,041
Less: Discounted using the Group's incremental borrowing rate	(243,095)
Lease liabilities recognised as at 1 January 2019	1,805,946

43. COMPARATIVE FIGURES

Certain comparative figures of the Group and of the Company have been reclassified to conform with the current year's presentation.

The comparative figures were not audited by PCCO PLT.

LIST OF PROPERTIES
OWNED BY THE GROUP

Location	Date of Acquisition	Tenure	Built-up Area (Square metres)	Description of Property / Existing Use	Net Carrying Amount as at 30 Jun 2020 (RM'000)
Dolphin Engineering (M) Sdn Bhd					
845, Block A, Leisure Commerce Square, No. 9, Jalan PJS 8/9, 47300 Petaling Jaya, Selangor Darul Ehsan.	20 Jan 1996	Leasehold, 99 years expiring on 17 July 2091	58.25	Office unit located on the 8th floor of a 12 storey office block rented to third party	182
Dolphin Applications Sdn Bhd					
20, Jalan Industri PBP 9, Taman Industri Pusat Bandar Puchong, 47100 Puchong, Selangor Darul Ehsan.	19 Nov 2015	Freehold	2,462.77	2 storey factory cum 3 storey office building erected thereon all that piece of industrial land. Currently vacant.	13,041

ANALYSIS OF **SHAREHOLDINGS**

As at 13 October 2020

ORDINARY SHARES

Issued Share Capital	:	775,719,303 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share
Number of Shareholders	:	2,934

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	13	0.44	517	0.00
100 - 1,000	155	5.28	86,629	0.01
1,001 - 10,000	692	23.59	4,606,500	0.59
10,001 - 100,000	1,408	47.99	61,309,156	7.90
100,001 to less than 5% of issued shares	665	22.67	584,803,317	75.39
5% and above of issued shares	1	0.03	124,913,184	16.10
	2,934	100.00	775,719,303	100.00

DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	No. of Shares Held (Direct)	%	No. of Shares Held (Indirect)	%
1.	TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN	-	-	-	-
2.	LOW TECK YIN	256,514	0.03	-	-
3.	THOO SOON HUAT	-	-	-	-
4.	TAN BAN TATT	-	-	-	-
5.	HOH YEONG CHERNG	18,527	0.00	434,500*	0.06
6.	LIM SENG HOCK	-	-	-	-

* *Deemed interest in the direct shareholdings in the Company of his sibling, Hoh Yeong Jian (409,500 shares) and father, Hoh Kok Wah (25,000 shares).*

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEES)

No.	Name of Substantial Shareholder	No. of Shares Held (Direct)	%	No. of Shares Held (Indirect)	%
1.	ASIA POLY HOLDINGS BERHAD	124,913,184	16.10	-	-

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	Shareholdings	%
1.	ASIA POLY HOLDINGS BERHAD	124,913,184	16.10
2.	IAN ONG MING HOCK	22,144,740	2.85
3.	DARSHAN RAVINDRAN	21,978,000	2.83
4.	SEIK THYE KONG	20,064,200	2.59
5.	SOUTHERN REALTY RESOURCE SDN. BHD.	20,000,000	2.58
6.	HYDRA-LINE HYDRAULICS SDN. BHD.	15,449,061	1.99
7.	KEJURUTERRAN TRISURIA SDN. BHD.	14,708,407	1.90
8.	LIM TECK SENG	12,500,030	1.61
9.	PALMA BANJARAN SDN. BHD.	10,394,737	1.34
10.	LIAW KONG WAH	10,000,000	1.29
11.	CHIAH LAM CHIN	9,875,000	1.27
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG HE YAM	8,912,500	1.15
13.	CLH CONSTRUCTION SDN. BHD.	8,600,393	1.11
14.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEW SIONG KEAT (CHE2692C)	8,500,000	1.10
15.	KENANGA INVESTMENT BANK BERHAD IVT (EDSP-CKY)	8,135,100	1.05
16.	CHUA SEONG SENG	8,000,000	1.03
17.	PALMA BANJARAN SDN. BHD.	8,000,000	1.03
18.	LEE CHOON HOOI	7,530,000	0.97
19.	FONG TECK SIONG	6,300,000	0.81
20.	SIM MUI KHEE	6,082,100	0.78
21.	YAP SING KHON	5,890,500	0.76
22.	MAYNANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. MAYBANK KIM ENG SECUTIES PTE LTD FOR GERARD LIN YOONG CHEE	5,500,000	0.71
23.	SOON BAN HIN ORIENTAL (M) SDN. BHD.	5,500,000	0.71
24.	GLOBAL GENESIS (M) SDN. BHD.	5,321,053	0.69
25.	ZAITON BINTI MOHD HASSAN	5,200,000	0.67
26.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG YIN KEONG	5,190,000	0.67
27.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY	4,975,000	0.64
28.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIAW JING QUAN (LIA00313C)	4,780,000	0.62
29.	LIM ZHI HUI	4,704,550	0.61
30.	CHIN CHIN SEONG	4,500,000	0.58
	TOTAL	**403,648,555**	**52.04**

ANALYSIS OF
WARRANTS HOLDINGS
As at 13 October 2020

WARRANTS 2016/2021 ("WA")

Class of Shares	:	Warrants 2016/2021 ("WA")
Number of warrants not exercised	:	70,423,656 WA
Number of Warrants Holders	:	1,070

ANALYSIS BY SIZE OF WARRANTS HOLDINGS

Size of Holdings	No. of Warrant Holders	%	No. of Warrant Held	%
1 - 99	143	13.37	8,128	0.01
100 - 1,000	154	14.39	85,636	0.12
1,001 - 10,000	368	34.39	1,379,333	1.96
10,001 - 100,000	289	27.01	11,356,918	16.13
100,001 to less than 5% of issued shares	114	10.65	42,040,655	59.70
5% and above of issued shares	2	0.19	15,552,986	22.08
	1,070	100.00	70,423,656	100.00

DIRECTORS' WARRANTS HOLDINGS

No.	Name of Directors	No. of Warrants Held (Direct)	%	No. of Warrants Held (Indirect)	%
1.	TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN	-	-	-	-
2.	LOW TECK YIN	28	0.00	-	-
3.	THOO SOON HUAT	-	-	-	-
4.	TAN BAN TATT	-	-	-	-
5.	HOH YEONG CHERNG	31	0.00	75*	0.00
6.	LIM SENG HOCK	-	-	-	-

* *Deemed interest in the direct warrant holdings in the Company of his sibling, Hoh Yeong Jian.*

ANALYSIS OF WARRANTS HOLDINGS

As at 13 October 2020
(cont'd)

THIRTY (30) LARGEST WARRANTS HOLDERS
(Per Record of Depositors)

No.	Name	Warrant Holdings	%
1.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	9,509,486	13.50
2.	ONG ZHUN	6,043,500	8.58
3.	NYEO HOCK KIAT	2,000,000	2.84
4.	ROHAZIFAH BINTI SAMSUDIN	1,903,150	2.70
5.	LIM KWAN JOO	1,741,819	2.47
6.	ZAITON BINTI MOHD HASSAN	1,649,570	2.34
7.	TAN HWE CHIN	1,431,636	2.03
8.	LEON LEE KA-HO	1,382,800	1.96
9.	LINA YEK	1,350,236	1.92
10.	NORAZLIA BINTI SAIDIN	1,209,419	1.72
11.	SIEW GUAN NGO	964,400	1.37
12.	MOHD NAZRI BIN ABU BAKAR	820,670	1.17
13.	NG TUAN LENG	700,000	0.99
14.	LIM SI XIAN	697,260	0.99
15.	LIM HON SENG	672,517	0.95
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIAW JING TA (LIA0290C)	634,450	0.90
17.	KOAY CHIN OON	600,000	0.85
18.	MUHAMAD ALI BIN ABD RAJAB	588,000	0.83
19.	POW SIEW WEI	563,945	0.80
20.	GOH HONG HWA	549,113	0.78
21.	LIM KANG POW	547,213	0.78
22.	JASVINDER SINGH BHATT A/L JOHINDER SINGH	534,450	0.76
23.	MOHD FIRDAUS BIN SHARIN	507,560	0.72
24.	AZIZI BIN AHMADI JULAIHI	500,000	0.71
25.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KONG JIH LIAU	500,000	0.71
26.	MUHAMAD HAFETZ BIN MOHMED AMIN	500,000	0.71
27.	SULAIMAN BIN ABU BAKAR	500,000	0.71
28.	ZULKEFLE BIN TAYIB	500,000	0.71
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LOW WEE KIAT (8042510)	498,677	0.71
30.	TAN CHEW CHUNG	459,849	0.65
	TOTAL	**40,059,720**	**56.86**

ANALYSIS OF WARRANTS HOLDINGS

As at 13 October 2020
(cont'd)

WARRANTS 2020/2023 ("WB")

Class of Shares	:	Warrants 2020/2023 ("WB")
Number of warrants not exercised	:	183,150,003 WB
Number of Warrants Holders	:	803

ANALYSIS BY SIZE OF WARRANTS HOLDINGS

Size of Holdings	No. of Warrant Holders	%	No. of Warrant Held	%
1 - 99	38	4.73	1,925	0.00
100 - 1,000	23	2.86	11,150	0.01
1,001 - 10,000	191	23.79	1,064,373	0.58
10,001 - 100,000	352	43.84	14,140,445	7.72
100,001 to less than 5% of issued shares	196	24.41	116,957,010	63.86
5 % and above of issued shares	3	0.37	50,975,100	27.83
	803	100.00	183,150,003	100.00

DIRECTORS' WARRANTS HOLDINGS

No.	Name of Directors	No. of Warrants Held (Direct)	%	No. of Warrants Held (Indirect)	%
1.	TENGKU AHMAD BADLI SHAH BIN RAJA HUSSIN	-	-	-	-
2.	LOW TECK YIN	-	-	-	-
3.	THOO SOON HUAT	-	-	-	-
4.	TAN BAN TATT	-	-	-	-
5.	HOH YEONG CHERNG	-	-	-	-
6.	LIM SENG HOCK	-	-	-	-

ANALYSIS OF WARRANTS HOLDINGS
As at 13 October 2020
(cont'd)

THIRTY (30) LARGEST WARRANTS HOLDERS
(Per Record of Depositors)

No.	Name	Warrant Holdings	%
1.	SEIK THYE KONG	22,185,440	12.11
2.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH BOON POH (008)	16,789,660	9.17
3.	SOUTHERN REALTY RESOURCE SDN. BHD.	12,000,000	6.55
4.	DARSHAN RAVINDRAN	7,326,000	4.00
5.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KWONG MING KWEI (08KW032ZQ-008)	5,500,000	3.00
6.	FONG TECK SIONG	4,980,000	2.72
7.	LEE CHOON HOOI	4,518,000	2.47
8.	LOH TEIK HUAT	4,000,000	2.18
9.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG HE YAM	3,157,500	1.72
10.	TAN HOU BU	3,100,000	1.69
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KONG KOK CHOY (8092812)	2,985,000	1.63
12.	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN HOCK CHAI (E-KLG)	2,627,100	1.43
13.	CHIAH LAM CHIN	2,625,000	1.43
14.	SIM MUI KHEE	2,486,460	1.36
15.	TAN YOUNG TAT	2,400,060	1.31
16.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW SIONG KEAT (CHE2692C)	2,000,000	1.09
17.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN CHIN HOOI	2,000,000	1.09
18.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. ROSDI BIN MUHAMMAD	2,000,000	1.09
19.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ANG YIN KEONG	1,830,000	1.00
20.	KHAIRIL ANUAR BIN MOHD NOR	1,676,140	0.92
21.	LIM ZHI HUI	1,568,160	0.86
22.	JAMNATUL ASMA BINTI ISMAIL	1,500,000	0.82
23.	TAN LOON TOW	1,500,000	0.82
24.	TYE YONG POU	1,500,000	0.82
25.	KOH SOH HONG	1,477,020	0.81
26.	TAN CHIN SIONG	1,376,760	0.75
27.	KENANGA NOMINEES (TEMPATAN) SDN. BHD. KONG AH NYONG @ KONG KON YIN (EM1-D88)	1,180,000	0.64
28.	TAN YONG SIANG	1,162,500	0.63
29.	SOON BAN HIN ORIENTAL (M) SDN. BHD.	1,125,000	0.61
30.	SEOW LAN THYE	1,092,720	0.60
	TOTAL	**119,668,520**	**65.32**

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Company will be conducted on a fully virtual basis at the Broadcast Venue at Level 12, Training Room, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Monday, 7 December, 2020 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive the audited Financial Statements of the Company for the financial period ended 30 June 2020 together with the Reports of the Directors and Auditors thereon. **(Please refer Explanatory Note (a))**

2. To approve the payment of Directors' fees amounting to RM327,000 for the financial year ending 30 June 2021. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' benefits to the Directors up to an amount of RM100,000 for the period commencing from 8 December 2020 until the next Annual General Meeting of the Company. **(Ordinary Resolution 2)**

4. To re-elect Low Teck Yin, the Director who retires pursuant to Clause 97.i of the Company's Constitution and being eligible, offers himself for re-election. (**Ordinary Resolution 3)**

5. To re-elect Tengku Ahmad Badli Shah Bin Raja Hussin, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers himself for re-election. **(Ordinary Resolution 4)**

6. To re-elect Thoo Soon Huat, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers himself for re-election. **(Ordinary Resolution 5)**

7. To re-elect Tan Ban Tatt, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers himself for re-election. **(Ordinary Resolution 6)**

8. To re-elect Lim Seng Hock, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers himself for re-election. **(Ordinary Resolution 7)**

9. To re-elect Serena Goh Fhen Fhen, the Director who retires pursuant to Clause 104 of the Company's Constitution and being eligible, offers herself for re-election. **(Ordinary Resolution 8)**

10. To re-appoint Messrs. PCCO PLT [(LLP0000506-LCA)(AF1056)] as Auditors of the Company for the ensuring year and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 9)**

AS SPECIAL BUSINESS

11. To consider and if thought fit, to pass the following resolutions:

    a) Authority To Directors To Issue Shares
    "THAT subject always to the Constitution of the Company, the Companies Act 2016 ("Act"), the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company at any point of time AND THAT the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting." **(Ordinary Resolution 10)**

    b) Proposed Amendment to the Constitution of the Company
    "THAT the proposed amendment to the Constitution of the Company as set out below, be and is hereby approved and adopted AND THAT the Directors and/or Secretary of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the said proposed amendment for and on behalf of the Company:-

Existing Clause 92- Deposit of Proxy
The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.

Proposed Clause 92- Deposit of Proxy
The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the Office or at such other place within Malaysia ***or by way of electronic means or in such other manner*** *as is specified for that purpose in the notice convening the meeting, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid. PROVIDED ALWAYS that the Company may by written notice waive the prior lodgement of the above instrument appointing a proxy and the power of attorney or other authority.*

(Special Resolution 1)

12. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

HO MENG CHAN (MACS 00574)
SSM PC No. 202008003175
WU SIEW HONG (MAICSA 7039647)
SSM PC No. 202008002457
Secretaries

Petaling Jaya
Selangor Darul Ehsan
30 October 2020

Notes:-

1) The Eighth Annual General Meeting will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Boardroom Smart Investor Portal at https://www.boardroomlimited.my. Please follow the procedures provided in the Administrative Notes for the Eighth Annual General Meeting in order to register, participate and vote remotely via the RPV facilities.
2) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue on the day of the meeting.
3) A member of the Company entitled to participate, speak and vote at the meeting shall be entitled to appoint up to two (2) proxies or attorney or other duly authorised representative to participate, speak and vote in his/her stead. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to speak at the meeting.
4) The instrument appointing a proxy shall be in writing signed by the appointor or by his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
5) Where a member of a Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of the shareholdings represented by each proxy is specified.
7) The instrument appointing a proxy and the power of attorney or other authority duly authorised in writing or if such appointor is a Corporation, under its common seal or under the hand of an officer or attorney of the Corporation duly authorised, shall be deposited at the Share Registrar's office of the Company, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
8) Depositors who appear in the Record of Depositors as at 30 November 2020 shall be regarded as member of the Company entitled to attend the Eighth Annual General Meeting or appoint a proxy or proxies to attend and vote on his/her behalf.

EXPLANATORY NOTES

a) This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

b) **Ordinary Resolution 1 – Directors' fees payable**
The Directors' Fees payable is computed based on the targeted Board size for the financial year ending 30 June 2021. In the event the proposed amount is insufficient, approval will be sought at the next Annual General Meeting for additional Directors' Fees to meet the shortfall.

c) **Ordinary Resolution 2 – Directors' benefits payable**
The proposed Directors' benefit payable comprises allowances and other benefits.

The total estimated amount of Directors' benefits payable is calculated based on the estimated number of Board's and Board Committees' meetings for the period from 8 December 2020 until the next Annual General Meeting and the provision for other benefits (if any).

In the event that the proposed Directors' benefits payable is insufficient, approval will be sought at the next Annual General Meeting for additional Directors' benefits to meet the shortfall.

d) **Ordinary Resolution 10 – Authority To Directors To Issue Shares**
The Company had at its Seventh Annual General Meeting held on 28 June 2019, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company up to and not exceeding 10% of the issued share capital of the Company for such purposes as they consider would be in the interest of the Company. This 10% General Mandate will expire at the conclusion of the Eighth Annual General Meeting. As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to this General Mandate.

The proposed Ordinary Resolution 10 under item 11 of the agenda is to seek a general mandate to empower the Directors of the Company pursuant to Sections 75 and 76 of the Act, to issue and allot ordinary shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 20% of the total number of issued shares of the Company at any point of time ("20% General Mandate").

This 20% General Mandate, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

In view of the challenging times due to the Covid-19 pandemic, Bursa Securities had on 16 April 2020 introduced this 20% General Mandate as an interim relief measure to allow a listed issuer to seek a higher general mandate under Paragraph 6.03 of the Listing Requirements of Bursa Securities of not more than 20% of the total number of issued shares for issue of new securities.

With this 20% General Mandate, the Company will be able to raise funds for the purpose of funding future investment, working capital and/or acquisitions. The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders.

e) **Special Resolution 1 - Proposed Amendment to the Constitution of the Company**
The Special Resolution 1 under item 11, if passed, will enhance the administrative efficiency in handling the Form of Proxy.

ADMINISTRATIVE NOTES FOR
THE EIGHTH ANNUAL GENERAL MEETING

Date	: Monday, 7 December 2020
Time	: 10.00 a.m.
Broadcast Venue	: Level 12, Training Room, Menara Symphony No. 5, Jalan Prof. Khoo Kay Kim Seksyen 13, 46200 Petaling Jaya Selangor Darul Ehsan

Remote Participation and Voting at Full Virtual Meeting

The Company's Eighth Annual General Meeting ("AGM") will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Boardroom Smart Investor Portal at https://www.boardroomlimited.my.

The Chairman of the AGM will be at the Broadcast Venue in compliance with Section 327(2) of the Companies Act 2016. No member or proxy shall be physically present at the Broadcast Venue.

Entitlement to Participate and Vote

Only members whose names appear in the Record of Depositors on 30 November 2020 (General Meeting Record of Depositors) shall be eligible to participate in the AGM or appoint proxy(ies) to participate, speak and /or vote on his/her behalf.

As guided by the Securities Commission's Guidance and FAQs on the Conduct of General Meetings for Listed Issuers that was issued on 18 April 2020 and subsequently revised on 14 May 2020, 9 June 2020 and 13 October 2020, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members or proxies shall communicate with the main venue of the AGM via real time submission of typed texts through a text box within Boardroom Smart Investor Portal's platform during the live streaming of the AGM or email questions to investors@dolphineng.com prior to the AGM.

Appointment of Proxy

Members are encouraged to participate and vote at the AGM remotely via RPV facilities. If a member is not able to participate in the AGM via RPV facilities, he/she may appoint another person or the Chairman of the AGM as his/her proxy and indicate the voting instructions in the Form of Proxy.

Please take note that you **must** complete the Form of Proxy for the AGM should you wish to appoint a proxy(ies).

Your may download the Form of Proxy for the AGM from the Company's website at www.dolphinbhd.com

Please ensure the original Form of Proxy is deposited at the Share Registrar's office of the Company, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan **not later than Saturday, 5 December 2020**, **10.00 a.m.**, 48 hours before the time appointed for holding the AGM.

Corporate shareholders, authorised nominees and exempt authorised nominees are to refer to "Step 2 – Submit Request for Remote Participation User ID and Password" below.

Revocation of Proxy

If you decide to change your proxy or wish to participate in the AGM by yourself after you have deposited the Form of Proxy, please write in to bsr.helpdesk@boardroomlimited.com to revoke the earlier appointed proxy **not later than Saturday, 5 December 2020**, **10.00 a.m.**, 48 hours before the AGM.

Poll Voting

The voting will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Boardroom Share Registrars Sdn Bhd ("Boardroom") as Poll Administrator to conduct the poll by way of electronic voting (e-Voting) and will appoint Scrutineers to verify the poll results.

E-Voting Procedure

1. During the AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

2. E-voting could be carried out via the following voting devices:-
   a. Personal smart mobile phones ;
   b. Tablets ; or
   c. Laptops ;

3. There are 3 methods for members and proxies to use either one of the above devices to vote:-

   a. Download the free **Lumi AGM** from Apple App Store or Google Play Store prior to the meeting **OR**
   b. Using QR Scanner Code given in the email to you **OR**
   c. Using website URL: https://web.lumiagm.com

4. The polling will only commence after the announcement of poll being opened by the Chairman and until such time when the Chairman announces the closure of poll.

5. The Scrutineers will verify the poll result reports upon closing of the poll session by the Chairman. The Scrutineers will announce the results thereafter, and the Chairman will declare whether the resolutions put to vote were successfully carried or not.

ADMINISTRATIVE NOTES FOR THE EIGHTH ANNUAL GENERAL MEETING
(cont'd)

Registration for Remote Participation and Electronic Voting

Step-by-step procedure for registration:-

Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration only)

[Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2. Submit request for Remote Participation user ID and Password.]

a. Access website https://boardroomlimited.my
b. Click <<Login>> and click <<Register>> to sign up as a user.
c. Complete registration and upload softcopy of MyKAD (front and back) or Passport.
d. Please enter a valid email address and wait for Boardroom's email verification.
e. Your registration will be verified and approved within one business day and an email notification will be sent to you.

Step 2 – Submit Request for Remote Participation User ID and Password

[Note: The registration for remote access will be opened on 30 October 2020 and closed on 5 December 2020 at 10.00 am.]

Individual Members

- Login to https://boardroomlimited.my using your User ID and Password above.
- Select "Hybrid/Virtual Meeting" from the main menu and select the correct Corporate Event "Dolphin International Berhad's AGM".
- Enter your CDS Account.
- Read and agree to the terms & condition and thereafter submit your request.

Corporate Shareholders

- Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Certificate of Appointment of Corporate Representative or Form of Proxy to submit the request; and
- Provide a photocopy of the corporate representative's MyKAD (front and back) or passport together with his/her email address.

Authorised Nominee and Exempt Authorised Nominee

- Write in to bsr.helpdesk@boardroomlimited.com by providing the name of Member, CDS Account Number accompanied with the Form of Proxy to submit the request; and
- Provide a photocopy of the proxy holder's MyKAD (front and back) or passport together with his/her email address.

a. You will receive a notification from Boardroom that your request has been received and is being verified.
b. Upon system verification against the General Meeting Record of Depositors, you will receive an email from Boardroom either approving or rejecting your registration for remote participation.
c. You will also receive your remote access User ID and Password along with the email from Boardroom if your registration is approved.
d. Please note that the **closing time to submit your request is at 10.00 a.m. on 5 December 2020** (48 hours before the commencement of AGM).

Step 3 – Login to Virtual Meeting Portal

[Please note that the quality of the connectivity to Virtual Meeting Portal for live web cast as well as for remote online voting is highly dependent on the bandwidth and the stability of the internet connectivity available at the location of the remote users.]

a. The Virtual Meeting portal will be open for **login starting from 9.00 a.m. on 7 December 2020 (AGM to commence at 10.00 a.m.).**
b. Follow the steps given to you in the email along with your remote access user ID and password to login to the Virtual Meeting portal. (Refer to Step 2(c) above)
c. The steps will also guide you how to view live web cast, ask questions and vote.
d. The live web cast will end and the Messaging window will be disabled the moment the Chairman announces the closure of the AGM.
e. You can now logout from Virtual Meeting Portal.

Participation at AGM

The Chairman and the Directors will endeavour their best to respond to the questions submitted by members/proxies which are related to the resolutions to be tabled at the AGM.

Members/proxies may proceed to cast votes on each of the proposed resolutions, to be tabled at the AGM respectively after the Chairman has opened the poll on the resolutions. Members/proxies are reminded to cast their votes before the poll is closed.

Enquiry

Should you have any query, please contact Boardroom at 03-7890 4700 or email to bsr.helpdesk @boardroomlimited.com.

Personal data privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");
(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

DOLPHIN INTERNATIONAL BERHAD
[Registration No. 201201016010 (1001521-X)]
(Incorporated in Malaysia)

FORM OF PROXY

CDS account no.	
No. of Shares held	

I/We, ... NRIC No./Passport No./ Company No ....
(Full name in capital letters)

Tel No. /HP No. .... Email Address ....

of ....
(full address)

being a member(s) of the above Company, hereby appoint:

Full Name (in capital letters as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Tel No. /HP No.:	Email Address:		
Address			

*and / or failing him/her

Full Name (in capital letters as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Tel No. /HP No.:	Email Address:		
Address			

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Eighth Annual General Meeting of the Company to be conducted on a fully virtual basis at the Broadcast Venue at Level 12, Training Room, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan on Monday, 7 December, 2020 at 10.00 a.m. or at any adjournment thereof.

** Delete whichever is inapplicable*

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Item	Agenda		
1.	To receive the audited Financial Statements of the Company for the period ended 30 June 2020 together with the Reports of the Directors and Auditors thereon		
		FOR	**AGAINST**
2.	Ordinary Resolution 1 -To approve the payment of Directors' Fees of RM327,000		
3.	Ordinary Resolution 2 -To approve the payment of Directors' benefits to the Directors up to an amount of RM100,000		
4.	Ordinary Resolution 3 -To re-elect Low Teck Yin as Director		
5.	Ordinary Resolution 4 -To re-elect Tengku Ahmad Badli Shah Bin Raja Hussin as Director		
6.	Ordinary Resolution 5 -To re-elect Thoo Soon Huat as Director		
7.	Ordinary Resolution 6 -To re-elect Tan Ban Tatt as Director		
8.	Ordinary Resolution 7 -To re-elect Lim Seng Hock as Director		
9.	Ordinary Resolution 8 -To re-elect Serena Goh Fhen Fhen as Director		
10.	Ordinary Resolution 9 -To re-appoint Auditors and to authorise the Directors to fix their remuneration		
11.	Ordinary Resolution 10 -To empower the Directors of the Company to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
12.	Special Resolution 1 -To approve the Proposed Amendment to the Constitution of the Company		

____
Signature of Member / Common Seal

Dated this _____________day of ______________________ 2020.

Notes:-

1) The Eighth Annual General Meeting will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities which are available on Boardroom Smart Investor Portal at https://www.boardroomlimited.my. Please follow the procedures provided in the Administrative Notes for the Eighth Annual General Meeting in order to register, participate and vote remotely via the RPV facilities.
2) The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. Members/proxies will not be allowed to be physically present at the Broadcast Venue on the day of the meeting.
3) A member of the Company entitled to participate, speak and vote at the meeting shall be entitled to appoint up to two (2) proxies or attorney or other duly authorised representative to participate, speak and vote in his/her stead. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company. A proxy appointed to participate and vote at the meeting shall have the same rights as the member to speak at the meeting.
4) The instrument appointing a proxy shall be in writing signed by the appointor or by his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney duly authorised.
5) Where a member of a Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
6) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of the shareholdings represented by each proxy is specified.
7) The instrument appointing a proxy and the power of attorney or other authority duly authorised in writing or if such appointor is a Corporation, under its common seal or under the hand of an officer or attorney of the Corporation duly authorised, shall be deposited at the Share Registrar's office of the Company, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time appointed for holding the meeting or adjourned meeting.
8) Depositors who appear in the Record of Depositors as at 30 November 2020 shall be regarded as member of the Company entitled to attend the Eighth Annual General Meeting or appoint a proxy or proxies to attend and vote on his/her behalf.

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AFFIX
STAMP

The Share Registrar
DOLPHIN INTERNATIONAL BERHAD
(Registration No. 201201016010 (1001521-X))
(Incorporated in Malaysia)
C/O Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No.5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

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Fold This Flap For Sealing

DOLPHIN INTERNATIONAL BERHAD 201201016010 (1001521-X)
No. 17 & 19, Jalan Puteri 5/20, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan
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www.dolphinbhd.com